

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

April 8, 2019

Date of Report (Date of earliest event reported)

Chimerix, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-35867

(Commission File Number)

33-0903395

(IRS Employer Identification No.)

**2505 Meridian Parkway, Suite 100
Durham, NC**

(Address of principal executive offices)

27713

(Zip Code)

Registrant's telephone number, including area code: (919) 806-1074

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On February 5, 2019, the Board of Directors of Chimerix, Inc. (the “*Company*”) created a new position to be known as the Office of the Chief Executive Officer, and appointed W. Garrett Nichols, Timothy W. Trost and Michael A. Alrutz as the members of the Office of the Chief Executive Officer. Effective April 8, 2019, the Company hired Michael Sherman as the Company’s Chief Executive Officer, replacing Dr. Nichols, Mr. Trost and Dr. Alrutz in their role as the members of the Office of the Chief Executive Officer, but with Dr. Nichols, Mr. Trost and Dr. Alrutz maintaining their respective other positions with the Company.

(c) Effective April 8, 2019, the Company hired Mr. Sherman, age 53, as the Company’s Chief Executive Officer, and hired Michael Andriole, age 46, as the Company’s Chief Business Officer. A copy of the press release announcing the hiring of Messrs. Sherman and Andriole is attached hereto as Exhibit 99.1.

Prior to his employment with the Company, Mr. Sherman served as the President and Chief Executive Officer of Endocyte, Inc., a biopharmaceutical company focused on developing targeted therapies for the treatment of cancer, from June 2016 until its acquisition by Novartis AG in December 2018. Prior to that, Mr. Sherman served as Endocyte’s Chief Financial Officer from October 2006 to February 2017 and as its Chief Operating Officer from June 2014 to June 2016. From December 1994 to October 2006, Mr. Sherman served in various executive roles, but most recently as Vice President of Finance and Strategic Planning from May 2004 to October 2006, of Guidant Corporation, a cardiovascular device manufacturer acquired by Boston Scientific Corporation in April 2006. Mr. Sherman serves on the Indianapolis Children’s Museum Board of Trustees. During the past five years, he also served on the Board of Directors of Mead Johnson Nutrition Company, a pediatric nutrition company. Mr. Sherman holds a B.A. in economics from DePauw University and an M.B.A. from the Amos Tuck School, Dartmouth College.

Prior to his employment with the Company, Mr. Andriole served as the Chief Financial Officer of Endocyte from February 2017 until its acquisition by Novartis AG in December 2018. From June 2001 to February 2017, Mr. Andriole served in various executive roles at Eli Lilly and Company, a large pharmaceutical company that develops, manufactures and markets pharmaceutical products on a global basis, and most recently as Vice President, Corporate Business Development from December 2014 to February 2017. Previous roles included Director, European Development and Strategic Planning and Director, Corporate Finance and Investment Banking. Mr. Andriole holds a B.S. in Finance from Xavier University’s Williams College of Business and an M.B.A. from Kelley School of Business, Indiana University.

In connection with Mr. Sherman’s hiring as the Company’s Chief Executive Officer, Mr. Sherman entered into an offer letter (the “*CEO Offer Letter*”) detailing the terms of his employment. Pursuant to the CEO Offer Letter, Mr. Sherman will be entitled to receive a base salary of \$600,000 per year, and will be granted an initial stock option to purchase up to 1,250,000 shares of the Company’s common stock (the “*CEO Option*”), 25% of which will vest on the first anniversary of Mr. Sherman’s start date, and the remainder of which will vest in equal monthly installments thereafter over three years. The CEO Option will have an exercise price equal to the closing price of the Company’s common stock on the date of grant. In addition to a base salary, Mr. Sherman is entitled to a discretionary annual performance-based cash bonus, with a target bonus equal to 55% of his base salary. Mr. Sherman is also entitled to receive health care coverage under the Company’s medical, vision and dental plans, and can participate in the Company’s 2013 Employee Stock Purchase Plan and 401(k) Plan.

Furthermore, as Chief Executive Officer, Mr. Sherman is entitled to the following severance benefits under the Company’s Officer Change in Control Severance Benefit Plan:

- upon a covered termination that does not occur within thirty days prior to or thirteen months following a change of control transaction, Mr. Sherman is entitled to (i) payments equal to 15 months of base salary, (ii) accelerated vesting of all outstanding time-based stock options and other time-based stock awards as if Mr. Sherman had completed service for an additional 15 months, and (iii) payment of COBRA benefits for a period of 15 months; and

upon a covered termination that occurs within the thirty days prior to or thirteen months following a change of control transaction, Mr. Sherman is entitled to (i) payments equal to 18 months of base salary, (ii) payment of COBRA benefits for a period of 18 months, (iii) a lump sum payment equal to his target bonus for the year of termination, and (iv) 100% vesting of all outstanding stock options and other stock awards.

A copy of the CEO Offer Letter is attached hereto as Exhibit 99.2.

In connection with Mr. Andriole's hiring as the Company's Chief Business Officer, Mr. Andriole entered into an offer letter (the "*CBO Offer Letter*") detailing the terms of his employment. Pursuant to the CBO Offer Letter, Mr. Andriole will be entitled to receive a base salary of \$400,000 per year, and will be granted an initial stock option to purchase up to 500,000 shares of the Company's common stock (the "*CBO Option*"), 25% of which will vest on the first anniversary of Mr. Andriole's start date, and the remainder of which will vest in equal monthly installments thereafter over three years. The CBO Option will have an exercise price equal to the closing price of the Company's common stock on the date of grant. In addition to a base salary, Mr. Andriole is entitled to a discretionary annual performance-based cash bonus, with a target bonus equal to 40% of his base salary. Mr. Andriole is also entitled to receive health care coverage under the Company's medical, vision and dental plans, and can participate in the Company's 2013 Employee Stock Purchase Plan and 401(k) Plan.

Furthermore, as Chief Business Officer, Mr. Andriole is entitled to the following severance benefits under the Company's Officer Change in Control Severance Benefit Plan:

upon a covered termination that does not occur within thirty days prior to or thirteen months following a change of control transaction, Mr. Andriole is entitled to (i) payments equal to 12 months of base salary, (ii) accelerated vesting of all outstanding time-based stock options and other time-based stock awards as if Mr. Andriole had completed service for an additional 12 months, and (iii) payment of COBRA benefits for a period of 12 months; and

upon a covered termination that occurs within the thirty days prior to or thirteen months following a change of control transaction, Mr. Andriole is entitled to (i) payments equal to 12 months of base salary, (ii) payment of COBRA benefits for a period of 12 months, (iii) a lump sum payment equal to his target bonus for the year of termination, and (iv) 100% vesting of all outstanding stock options and other stock awards.

A copy of the CBO Offer Letter is attached hereto as Exhibit 99.3.

(d) Effective April 8, 2019, the Company appointed Mr. Sherman to serve as a class I director of the Company. Mr. Sherman's appointment brings the Company's total number of directors to nine. Mr. Sherman was also appointed as a member of the Strategy Committee of the Board of Directors of the Company.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Chimerix, Inc. dated April 8, 2019.
99.2	Employment Offer Letter to Michael Sherman dated April 2, 2019.
99.3	Employment Offer Letter to Michael Andriole dated April 4, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Chimerix, Inc.

Dated: April 9, 2019

By: /s/ Timothy W. Trost

Timothy W. Trost

Senior Vice President, Chief Financial Officer and Corporate
Secretary



Chimerix Announces Management Updates

Mike Sherman Appointed Chief Executive Officer and Mike Andriole Appointed Chief Business Officer

DURHAM, N.C., April 08, 2019 (GLOBE NEWSWIRE) – Chimerix (NASDAQ:CMRX), a biopharmaceutical company developing novel antivirals to address unmet medical needs, today announces the appointment of Michael A. Sherman, former Chief Executive Officer of Endocyte, Inc., as Chief Executive Officer of Chimerix, effective immediately. In addition, the Company has appointed Michael T. Andriole, former Chief Financial Officer of Endocyte, Inc., to the newly created position of Chief Business Officer.

"We are delighted to welcome Mike Sherman and Mike Andriole to our executive management team. This pair has a proven track record of successfully developing valuable clinical assets, and we believe Chimerix will significantly benefit from the strategic and operational experience they will bring the Company," said Martha J. Demski, Chair of the Chimerix Board of Directors. "This seasoned team has demonstrated their ability to unlock value while bringing important therapeutics to patients in need."

"I am excited to be joining Chimerix at this pivotal juncture in its growth trajectory and believe that together we can implement a strategy to maximize the Company's strengths to create both near- and long-term value," said Mr. Sherman. "Mike and I look forward to working with the Chimerix leadership team to conduct a full strategic review and expect to announce those findings and our plans moving forward in the coming months. Importantly, the Company's strong financial position will provide substantial strategic flexibility as we prepare those plans."

Previously, Mr. Sherman served as Chief Executive Officer of Endocyte until its acquisition by Novartis AG in December 2018 for \$2.1 billion. Prior to joining Endocyte in 2006, Mr. Sherman served in various executive roles, most recently as Vice President of Finance and Strategic Planning of Guidant Corporation, a cardiovascular device manufacturer acquired by Boston Scientific Corporation. He also serves on the Board of Directors at Mead Johnson Nutrition. He holds a B.A. in economics from DePauw University and an M.B.A. from the Tuck School of Business at Dartmouth.

Before joining Endocyte in 2017, Mr. Andriole was a member of Eli Lilly and Company's corporate development leadership team with responsibility for international transactions. Mr. Andriole brings broad finance and strategic transaction experience to Chimerix across multiple therapeutic areas, including strategic transactions in oncology, immunology and neuroscience. Mr. Andriole graduated cum laude from Xavier University's Williams College of Business and earned his M.B.A. from Indiana University's Kelley School of Business.



CHIMERIX

In connection with the hiring of Mr. Sherman and Mr. Andriole, on April 8, 2019, Chimerix's Board of Directors granted Mr. Sherman a stock option to purchase 1,250,000 shares of Chimerix's common stock, and Mr. Andriole a stock option to purchase 500,000 shares of Chimerix's common stock. Each stock option will have an exercise price per share equal to the closing price of Chimerix's common stock on the grant date. Each stock option is a non-qualified stock option, has a 10-year term and will vest over four years, with one-fourth vesting on the one-year anniversary of the grant date and remaining three-fourths vesting over the following three years in equal monthly installments. Each stock option is subject to the terms of Chimerix's 2013 Equity Incentive Plan, but was granted outside of the 2013 Equity Incentive Plan, and was granted as an inducement material to Mr. Sherman and Mr. Andriole entering into employment with Chimerix in accordance with Nasdaq Listing Rule 5635(c)(4).

About Chimerix

Chimerix is a biopharmaceutical company dedicated to discovering, developing and commercializing medicines that improve outcomes for immunocompromised patients. Brincidofovir (BCV, CMX001) uses Chimerix's proprietary lipid conjugate technology. For further information, please visit Chimerix's website, www.chimerix.com.

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors, including the possibility our current or future clinical trials of brincidofovir may not be successful, that FDA and other regulatory authorities may not approve brincidofovir or brincidofovir-based regimens, and that marketing approvals, if granted, may have significant limitations on their use. As a result, brincidofovir may never be successfully commercialized. In addition, Chimerix may be unable to file for regulatory approval for brincidofovir with other regulatory authorities. Similar risks and uncertainties apply to the Company's development of CMX521. These risks, uncertainties and other factors could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Risks are described more fully in the Company's filings with the Securities and Exchange Commission, including without limitation the Company's most recent Annual Report on Form 10-K and other documents subsequently filed with or furnished to the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made. The Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.



CHIMERIX

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Mike Sherman
1817 Milford Street
Carmel, IN 46032

Dear Mike,

Chimerix is pleased to extend an offer of employment to you for the position of Chief Executive Officer, reporting to the Board of Directors. Your anticipated hire date will be April 8, 2019.

The following are the terms of this offer:

Base Salary: Your annual base salary will be \$600,000, less applicable deductions and withholdings.

Stock Option: You will be granted a nonstatutory stock option to purchase 1,250,000 shares of Chimerix common stock (the "Option"). The shares subject to the Option will vest over a period of four years so long as you continue to provide services to Chimerix, with 25% vesting one year from your hire date and the balance vesting at the rate of 1/36 per month over the remaining three years. The exercise price of the Option will be equal to the closing price per share of Chimerix common stock on the effective date of its grant, as reported by Nasdaq. The Option is intended to be a material inducement to your acceptance of this offer of employment, and will be granted outside Chimerix's 2013 Equity Incentive Plan (the "2013 Plan") but pursuant to the terms of the 2013 Plan as if the Option were granted under the 2013 Plan.

Annual Bonus: You will be eligible for an annual bonus of up to 55% of your base salary, based on the accomplishment of annual performance goals set by the Board of Directors or the Compensation Committee at their discretion.

Board of Directors: You will serve on Chimerix's Board of Directors for so long as you remain Chimerix's Chief Executive Officer. Upon termination of your employment for any reason, or in the event you cease to remain Chimerix's Chief Executive Officer for any other reason, you will immediately resign from the Board of Directors unless otherwise unanimously requested by all the other members of the Board of Directors.

Benefits: You will be eligible for comprehensive health and dental insurance benefits for yourself and your eligible dependents, effective on the first day of employment. For the current plan year, Chimerix pays the entire monthly premium for this coverage. You will also be eligible for company-paid term life insurance, short term and long-term disability insurance, effective on your hire date.

Additional benefits for which you will be eligible currently include: accrued vacation equal to 20 days per year and 12 paid holidays per calendar year. You will also be eligible to participate in the Chimerix Employee Stock Purchase Plan and 401(k) Plan, subject to applicable eligibility requirements. Full details of these benefits will be provided once you are on board.

Severance: You will be eligible to participate in the Chimerix Officer Severance Benefit Plan (the "Severance Plan"). Under the Severance Plan, you would receive 15 months of salary and benefits continuation in the event of a termination by Chimerix that is not in connection with a change of control. In addition, such a termination would result in 15 months' forward acceleration of any unvested portion of the Option and any other equity awards then held by you. In the event of a termination by Chimerix or a successor in connection with a change of control of Chimerix, the salary and benefits continuation described above would be extended from 15 to 18 months, you would receive a payment equal to your current target bonus, and the vesting of the Option and any other equity awards then held by you would be accelerated in full.

Chimerix is an at-will employer and as such your employment must be entered into voluntarily and for no specified period. As a result, you are free to resign or Chimerix may terminate your employment at any time, for any reason, with or without cause, subject to the provisions of the Severance Plan. No one other than the Board of Directors has the authority to alter this employment relationship, either verbally or in writing.

As with all new employees, you will be asked to provide to Chimerix documentary evidence of your eligibility for employment in the United States when you join Chimerix. Such documentation must be provided to us within three business days of your date of hire, or our employment relationship with you may be terminated.

Please understand it is Chimerix's policy not to solicit or accept proprietary information and/or trade secrets of other companies. If you have or have had access to trade secrets or other confidential, proprietary information developed by your former employer; the use of such information in performing your duties at Chimerix is prohibited. This may include, but is not limited to, confidential or proprietary information in the form of documents, magnetic media, software, customer lists, formulae and business plans or strategies. You will be required to execute Chimerix's standard Proprietary Information and Inventions Agreement, a copy of which will be provided to you separately.

If you accept this offer, the terms described in this letter, together with the other plans and agreements referred to in this letter, shall be the terms of your employment, provided, however, that your duties are performed in accordance with all standards and policies adopted by Chimerix. Your duties may change from time to time, depending upon the needs of Chimerix and your skills. This letter supersedes any prior agreements, representations or promises of any kind, express or implied, concerning your employment and it constitutes the full and complete agreement between you and Chimerix.

We are very excited about the prospect of your joining our team. We are confident that you have much to contribute to the success of Chimerix.

This offer expires at 5:00 p.m. Eastern time on April 7, 2019 and is contingent on you passing our pre-employment background check. If the terms described herein are acceptable to you, please acknowledge your acceptance by signing below and returning this letter to us. Please keep a copy for your records.

Mike, all of us at Chimerix look forward to your joining our team!

With warm regards,

Chimerix, Inc.

Martha J. Demski
Chair of the Board of Directors

Accepted:

/s/ Mike Sherman
Mike Sherman

4/2/2019
Date



Mike Andriole
2015 Strathmoor Blvd.
Louisville, KY 40205

Dear Mike,

Chimerix is pleased to extend an offer of employment to you for the position of Chief Business Officer, reporting to the Chief Executive Officer. Your anticipated hire date will be April 8, 2019.

The following are the terms of this offer:

Base Salary: Your annual base salary will be \$400,000, less applicable deductions and withholdings.

Stock Option: You will be granted a nonstatutory stock option to purchase 500,000 shares of Chimerix common stock (the "Option"). The shares subject to the Option will vest over a period of four years so long as you continue to provide services to Chimerix, with 25% vesting one year from your hire date and the balance vesting at the rate of 1/36 per month over the remaining three years. The exercise price of the Option will be equal to the closing price per share of Chimerix common stock on the effective date of its grant, as reported by Nasdaq. The Option is intended to be a material inducement to your acceptance of this offer of employment, and will be granted outside Chimerix's 2013 Equity Incentive Plan (the "2013 Plan") but pursuant to the terms of the 2013 Plan as if the Option were granted under the 2013 Plan.

Annual Bonus: You will be eligible for an annual bonus of up to 40% of your base salary, based on the accomplishment of annual performance goals set by the Board of Directors or the Compensation Committee at their discretion.

Benefits: You will be eligible for comprehensive health and dental insurance benefits for yourself and your eligible dependents, effective on the first day of employment. For the current plan year, Chimerix pays the entire monthly premium for this coverage. You will also be eligible for company-paid term life insurance, short term and long-term disability insurance, effective on your hire date.

Additional benefits for which you will be eligible currently include: accrued vacation equal to 20 days per year and 12 paid holidays per calendar year. You will also be eligible to participate in the Chimerix Employee Stock Purchase Plan and 401(k) Plan, subject to applicable eligibility requirements. Full details of these benefits will be provided once you are on board.

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Chimerix is an at-will employer and as such your employment must be entered into voluntarily and for no specified period. As a result, you are free to resign or Chimerix may terminate your employment at any time, for any reason, with or without cause, subject to the provisions of the Severance Plan. No one other than the Chief Executive Officer has the authority to alter this employment relationship, either verbally or in writing.

As with all new employees, you will be asked to provide to Chimerix documentary evidence of your eligibility for employment in the United States when you join Chimerix. Such documentation must be provided to us within three business days of your date of hire, or our employment relationship with you may be terminated.

Please understand it is Chimerix’s policy not to solicit or accept proprietary information and/or trade secrets of other companies. If you have or have had access to trade secrets or other confidential, proprietary information developed by your former employer; the use of such information in performing your duties at Chimerix is prohibited. This may include, but is not limited to, confidential or proprietary information in the form of documents, magnetic media, software, customer lists, formulae and business plans or strategies. You will be required to execute Chimerix’s standard Proprietary Information and Inventions Agreement, a copy of which will be provided to you separately.

If you accept this offer, the terms described in this letter, together with the other plans and agreements referred to in this letter, shall be the terms of your employment, provided, however, that your duties are performed in accordance with all standards and policies adopted by Chimerix. Your duties may change from time to time, depending upon the needs of Chimerix and your skills. This letter supersedes any prior agreements, representations or promises of any kind, express or implied, concerning your employment and it constitutes the full and complete agreement between you and Chimerix.

We are very excited about the prospect of your joining our team. We are confident that you have much to contribute to the success of Chimerix.

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Mike, all of us at Chimerix look forward to your joining our team!

With warm regards,

Chimerix, Inc.

Martha J. Demski
Chair of the Board of Directors

Accepted:

/s/ Mike Andriole
Mike Andriole

4/4/2019
Date
