

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 17, 2022

Aquestive Therapeutics, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

001-38599
(Commission
File Number)

82-3827296
(I.R.S. Employer
Identification No.)

30 Technology Drive
Warren, NJ 07059
(908) 941-1900

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation 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).

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	AQST	Nasdaq Global Market

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 May 17, 2022, Aquestive Therapeutics, Inc. (the “Company”) announced that Keith J. Kendall, President and Chief Executive Officer of the Company, is leaving the Company and Board of Directors (the “Board”) effective May 17, 2022. A copy of the press release announcing the departure is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

(c)

Effective May 17, 2022, the Board appointed Daniel Barber, Senior Vice President and Chief Operating Officer of the Company, to the position of President and Chief Executive Officer of the Company. In addition, the Board appointed Mr. Barber to fill the vacancy on the Board due to Mr. Kendall’s departure, to serve as a Class I Director with a term expiring at the Company’s 2022 Annual Meeting of Stockholders.

Mr. Barber, age 46, joined the Company in July 2007 and has been the Company’s Chief Operating Officer since May 2019. Mr. Barber has led the Company’s Strategy and Development functions since April 2014. Prior to joining the Company, Mr. Barber held various positions with Quest Diagnostics in its corporate planning and international divisions. In 2010, Mr. Barber had executive oversight of the Company’s launch activities for its first two FDA approved products. Beginning in 2013, Mr. Barber helped lead the Company’s effort to develop an internal pipeline of proprietary assets. Since that time, he has had executive responsibility for the Company’s pipeline and partnership activities.

Mr. Barber received his B.A. from State University of New York at Geneseo and an M.B.A from Seton Hall University.

There is no arrangement or understanding with any other person pursuant to which Mr. Barber was appointed as Chief Executive Officer, and there are no family relationships between Mr. Barber and any director or executive officer of the Company. Additionally, there are no transactions involving Mr. Barber that would be required to be reported under Item 404(a) of Regulation S-K.

(e) Compensatory Arrangements of Certain Officers

In connection with his departure, Mr. Kendall and the Company entered into a Separation Agreement, including a Consulting Agreement (collectively, the “Separation Agreement”) dated as of May 17, 2022. Pursuant to the Separation Agreement, Mr. Kendall’s employment with the Company ceased effective as of May 17, 2022 (the “Termination Date”).

The Separation Agreement provides Mr. Kendall with the following principal severance benefits, contingent upon Mr. Kendall execution and delivery of a customary release of claims: (i) a cash payment consisting of the sum of any previously unpaid base salary through the Termination Date and any accrued and unused vacation time for the 2022 calendar year; (ii) a cash payment consisting of his pro-rata portion of his target bonus in the amount of \$279,863; (iii) a cash payment in the amount of \$150,000, representing 90 days of his base pay in lieu of the required notice period under Mr. Kendall's employment agreement, (iv) severance payments consisting of (a) a cash payment of \$262,500, which represents an acceleration of the first three installments of Mr. Kendall's 18-month severance he is entitled to under his employment agreement, (b) monthly severance payments of \$52,571.43 per month for the first through the seventh months following the Termination Date, (c) \$69,500 paid for the eighth month after the Termination Date, and (d) monthly severance payments of \$87,500 for the ninth through eighteenth months following the Termination Date, (v) accelerated vesting of unvested outstanding equity awards, with options remaining exercisable for the duration of the stated term of each award, and (vi) continuing coverage under the Company's group health and life insurance plans at the same levels and on the same terms and conditions as are provided to similarly-situated executives, for a period of 18 months.

Under the terms of the Separation Agreement, Mr. Kendall will serve as a consultant to the Company, on an as-needed basis providing transition services, strategic planning, financial planning, merger and acquisition advice and consultation, for a period from the Separation Date to December 31, 2022. For these services, Mr. Kendall will receive a consulting fee of \$10,000 per month.

The foregoing description of the Separation Agreement is not complete and is qualified in its entirety by the actual terms of the Separation Agreement, a copy of which is incorporated herein by reference and attached hereto as Exhibit 10.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Separation Agreement, dated May 17, 2022, between Aquestive Therapeutics, Inc. and Keith J. Kendall.
99.1	Press Release issued May 17, 2022

SIGNATURE

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

Dated: May 17, 2022

Aquestive Therapeutics, Inc.

By: /s/ A. Ernest Toth, Jr.

Name: A. Ernest Toth, Jr.

Title: Chief Financial Officer

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") is made as of May 17, 2022, by and between Aquestive Therapeutics, Inc., a Delaware corporation (the "Company"), and Keith J. Kendall ("Executive"), for the purpose of memorializing the terms and conditions of Executive's departure from the Company's employment.

Now, therefore, in consideration of the mutual promises, agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Separation; Employment Agreement. Effective May 17, 2022, Executive's employment with the Company will be terminated (the "Separation Date"). As of the Separation Date, Executive hereby resigns all of Executive's positions at the Company and its affiliates including, without limitation, Executive's position as a member of the Company's board of directors, and shall execute such additional documents as requested by the Company to evidence the foregoing. Upon Executive's termination, Executive and the Company shall each have those respective surviving rights, obligations and liabilities described in that certain Executive Employment Agreement, dated as of June 30, 2018, by and between Executive and the Company, as amended (the "Employment Agreement"), except as expressly modified herein.
 2. Separation Benefits. Subject to the terms and conditions contained herein and in the Employment Agreement, and except as otherwise provided in Section 6(E) of the Employment Agreement, if applicable, Executive shall be entitled to the payments, benefits and equity treatment described in Section 6(D) of the Employment Agreement, at the times indicated therein; provided however that, within five (5) days of the Effective Date (as defined below), Executive will receive lump-sum cash payments in the amounts of (i) \$150,000, representing ninety (90) days' base salary in lieu of the notice required by the Company pursuant to Section 5(E) of the Employment Agreement and (ii) \$262,500, representing the first three (3) installment payments that Executive would be entitled to pursuant to Section 6(D)(iv) of the Employment Agreement (the "Accelerated Installment Payments"); provided further that, for the avoidance of doubt, the parties acknowledge and agree that the remaining installment payments that Executive would be entitled to pursuant to Section 6(D)(iv) of the Employment Agreement shall commence on the first (1st) calendar month following the Effective Date and will continue through the eighteenth (18th) calendar month following the Effective Date, net of the Accelerated Installment Payments, as follows: (i) \$52,571.43 in months one (1) through seven (7), plus (ii) \$69,500 in month eight (8), plus (iii) \$87,500 in months nine (9) through eighteen (18), for an aggregate total, including the Accelerated Installment Payments, of one million, five hundred seventy-five thousand dollars (\$1,575,000). In addition to the foregoing, and subject to the terms and conditions contained herein and in the Employment Agreement, Executive's outstanding equity-based awards shall be entitled to the equity treatment described in Section 6(D)(vi) of the Employment Agreement; provided that, notwithstanding anything to the contrary in the Employment Agreement, to the extent applicable, any such outstanding equity-based awards shall remain exercisable through the expiration of the stated term in the applicable award agreements. The parties acknowledge and agree that the "Pro Rata Bonus" (as defined in the Employment Agreement) payable to Executive, subject to the terms and conditions herein and in the Employment Agreement, shall be an amount equal to \$279,863, payable within five (5) days following the Effective Date.
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3. Release. Any and all amounts payable and benefits or additional rights provided pursuant to this Agreement shall only be payable if Executive delivers to the Company a general release of claims in favor of the Company in substantially the form attached as Exhibit A hereto within twenty-one (21) calendar days from the date hereof and does not revoke such general release within the seven (7) calendar day revocation period following Executive's delivery of such general release.
4. Consulting Agreement. Following the Effective Date, the Company desires to engage Executive and Executive desires to be so engaged pursuant to the terms and conditions of a consulting arrangement in substantially the form attached as Exhibit B hereto.
5. Non-Disparagement. Executive agrees not to make negative comments or otherwise disparage the Company or its officers, directors, employees, shareholders, agents or products. The Company agrees to instruct the individuals holding the positions of officers and directors of the Company as of the date of termination to not, while employed by the Company or serving as a director of the Company, as the case may be, make negative comments about Executive or otherwise disparage Executive in any manner that is likely to be harmful to Executive's business reputation. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings), and the foregoing limitation on the Company's officers and directors shall not be violated by statements that they in good faith believe are necessary or appropriate to make in connection with performing their duties and obligations to the Company.
6. No Admission. The making of this Agreement is not intended, and shall not be construed, as an admission that the Company has (i) violated any federal, state or local law (statutory or decisional), or any ordinance or regulation, (ii) breached any contract or (iii) committed any wrongdoing whatsoever.
7. No Mitigation. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned by Executive as a result of subsequent employment.

8. Effectiveness. This Agreement shall not become effective until the eighth (8th) day following Executive's execution and non-revocation of the general release of claims, as contemplated pursuant to Section 3 of this Agreement ("Effective Date"). In the event that Executive revokes the general release contemplated by Section 3 of this Agreement prior to the eighth (8th) day after his execution thereof, this Agreement, and the promises contained herein, shall automatically be deemed null and void *ab initio*.
9. Executive Acknowledgement. Executive acknowledges that he has been advised in writing to consult with an attorney before signing this Agreement, and that Executive has been afforded the opportunity to consider the terms of this Agreement and the general release for twenty-one (21) days prior to its execution. Executive further acknowledges that he has read this Agreement and the general release in its entirety, that he fully understands all of their respective terms and their significance, that he has signed them voluntarily and of Executive's own free will, and that Executive intends to abide by their respective provisions without exception.
10. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, void or unenforceable, such provision shall have no effect. However, the remaining provisions shall be enforced to the maximum extent possible.
11. Entire Agreement. This Agreement, the Employment Agreement, the Consulting Agreement and the general release, taken together, constitute the complete understanding between the parties and supersedes all such prior agreements between the parties and may not be changed orally. Executive acknowledges that neither the Company nor any representative of the Company has made any representation or promises to Executive other than as set forth herein or therein. No other promises or agreements shall be binding unless in writing and signed by the parties.
12. Whistleblowing. Nothing in this Agreement or any other agreement between Executive and the Company shall be interpreted to limit or interfere with Executive's right to report good faith suspected violations of law to applicable government agencies, including the Equal Employment Opportunity Commission, the National Labor Relation Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other applicable federal, state or local governmental agency, in accordance with the provisions of any "whistleblower" or similar provisions of local, state or federal law. Executive may report such suspected violations of law, even if such action would require Executive to share the Company's proprietary or confidential information or the Company's Inventions (as defined in the Employment Agreement) with the government agency, provided that any such proprietary or confidential information is protected to the maximum extent permissible and any such information constituting the Company's Inventions is filed only under seal in connection with any court proceeding. Lastly, nothing in this Agreement or any other agreement between Executive and the Company will be interpreted to prohibit Executive from collecting any financial incentives in connection with making such reports nor to require Executive to notify or obtain approval by the Company prior to making such reports to a government agency.

13. Restrictive Covenants; Survival. Executive hereby (i) reaffirm his obligations under Section 8 of the Employment Agreement and (ii) understands, acknowledges and agrees that such obligations will survive Executive's termination of employment with the Company and remain in full force and effect thereafter in accordance with all of the terms and conditions thereof. In the event of a violation of any of Executive's obligations described in this Section 13, Executive shall forfeit his right to receive the severance benefits hereunder and pursuant to Section 6(D) of the Employment Agreement, and to the extent previously paid, Executive will be required to immediately refund such benefits to the Company.
14. Tax Matters. The Company may withhold from any and all amounts payable under this Agreement such federal, state, local or foreign taxes as may be required to be withheld pursuant to any applicable law or regulation. The intent of the parties is that payments and benefits contemplated under this Agreement either comply with, or be exempt from, the requirements of Internal Revenue Code Section 409A. To the extent that the payments and benefits contemplated by this Agreement are not exempt from the requirements of Internal Revenue Code Section 409A, this Agreement is intended to comply with the requirements of Internal Revenue Code Section 409A to the maximum extent possible, and shall be limited, construed and interpreted in accordance with such intent. Executive and the Company hereby agree that Executive's termination of employment on the Separation Date will constitute a "separation from service" within the meaning of Internal Revenue Code Section 409A.
15. General Provisions.
- (a) Governing Law; Jurisdiction; Venue. This Agreement shall be enforced, governed and interpreted by the laws of the State of New Jersey without regard to New Jersey's conflict of laws principles. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled in a court of competent jurisdiction in the State of New Jersey. Each party consents to the jurisdiction of such New Jersey court in any such civil action or legal proceeding and waives any objection to the laying of venue in such New Jersey court.
- (b) Prevailing Party. In the event of any litigation, dispute or contest arising from a breach of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred in connection with such litigation, dispute or contest, including without limitation, reasonable attorneys' fees, disbursement and costs, and experts' fees and costs.

- (c) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed as an original, but all of which together shall constitute one and the same instrument.
- (d) Binding Effect. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.
- (e) Interpretation. Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or construing this Agreement shall not apply a presumption that the provisions hereof shall be more strictly construed against one party who prepared the Agreement, it being agreed that all parties have participated in the preparation of all provisions of this Agreement.
- (f) Attorney's Fees. The Company shall reimburse Executive for his reasonable out-of-pocket attorney fees and expenses incurred in connection with the review, evaluation, negotiation and drafting of this Agreement, and any other agreements or documents executed in connection herewith or therewith, in an aggregate amount not to exceed fifteen thousand dollars (\$15,000).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Separation Agreement as of the date first written above.

EXECUTIVE

AQUESTIVE THERAPEUTICS, INC.

/s/ Keith J. Kendall
Keith J. Kendall

By: /s/ DANIEL BARBER
NAME: Daniel Barber
TITLE: Chief Operating Officer

[Signature Page to Separation Agreement]

EXHIBIT A

GENERAL RELEASE

GENERAL RELEASE

In exchange for certain payments and benefits to be provided to me by Aquestive Therapeutics, Inc. pursuant to the Employment Agreement dated as of June 26, 2018, between the undersigned executive (the "Executive") and Aquestive Therapeutics, Inc., the Executive hereby knowingly and voluntarily waives, releases and discharges Aquestive Therapeutics, Inc., its predecessors, successors, parent corporations, subsidiaries, affiliates and each of their employees, officers and directors, agents, trustees, and fiduciaries (the "Company") from any and all claims, liabilities, demands, and causes of action, which he may have or claim to have against the Company, including any and all claims arising out of or relating in any way to the Executive's employment and/or separation of employment from the Company. This General Release specifically waives and releases all rights, claims, causes of action, demands, and liabilities which may arise up to and including the date the Executive signs this General Release. This General Release does not, however, waive or release any rights or claims which may arise after the date the Executive signs this General Release. This General Release of claims includes, but is not limited to:

a. All State and Federal statutory claims including, but not limited to, claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Retirement Income Security Act, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, the New Jersey Law Against Discrimination, the New Jersey Civil Rights Act, the New Jersey Civil Union Act, the New Jersey Wage and Hour Law, the New Jersey Conscientious Employee Protection Act, the New Jersey Domestic Partnership Act, and the New Jersey Family Leave Act;

b. All claims arising under the United States and New Jersey Constitutions;

c. All claims arising under any Executive Order or derived from or based upon any State or Federal regulations;

d. All common law claims including, but not limited to, claims for wrongful or constructive discharge, public policy claims, retaliation claims, claims for breach of an express or implied contract, claims for breach of an implied covenant of good faith and fair dealing, intentional infliction of emotional distress, defamation, fraud, conspiracy, loss of consortium, tortious interference with contract or prospective economic advantage, promissory estoppel and negligence;

e. All claims for any compensation including, but not limited to, back wages, front pay, overtime pay, bonuses or awards, fringe benefits, reinstatement, retroactive seniority, pension benefits, or any other form of economic loss;

f. All claims for personal injury including, but not limited to, physical injury, mental anguish, emotional distress, pain and suffering, embarrassment, humiliation, damage to name or reputation, liquidated damages, and punitive damages; and

g. All claims for costs and attorneys' fees, other than in connection with any such costs and fees provided for in the Separation Agreement, by and between the Company and the Executive, dated as of May 17, 2022 and the Consulting Agreement, by and between the Company and the Executive, dated as of May 17, 2022.

The Executive hereby acknowledges that the Company is advising him in writing that he should consult with an attorney prior to executing this General Release. The Executive hereby states that he has had the opportunity to discuss this General Release with whomever the Executive wished, including an attorney of his own choosing. The Executive further states that he has had the opportunity to read, review, and consider all of the provisions of this General Release; that the Executive understands its provisions and its binding effect on him; and that the Executive is entering into this General Release freely, voluntarily, and without duress or coercion. The Executive acknowledges that he has not relied upon the Company employees, officers or directors, counsel, agents or accountants for any legal, tax or other advice, and the Executive has, to the extent the Executive deems necessary, consulted with his own advisors as to these matters. The Executive represents that he has not filed any grievance, charge, claim, or complaint of any kind seeking personal recovery or personal injunctive relief against the Company or any of its owners, officers, directors, employees or agents, with respect to any matter, including but not limited to, his employment with the Company and/or the separation of that employment. Nothing contained in this paragraph shall prohibit the Executive from (a) bringing any action to enforce the terms of this Agreement and General Release; (b) filing a timely charge or complaint with the Equal Employment Opportunity Commission ("EEOC") regarding the validity of this Agreement and General Release; (c) filing a timely charge or complaint with the EEOC or participating in any investigation or proceeding conducted by the EEOC regarding any claim of employment discrimination (although the Executive has waived any right to personal recovery or personal injunctive relief in connection with any such charge or complaint); (d) initiating or engaging in communication with, responding to any inquiry from, or otherwise providing information to, any other federal or state regulatory, self-regulatory or enforcement agency or authority; or (e) seeking or obtaining an award under the whistleblower provisions of the federal securities laws. In addition, nothing herein shall constitute a release, or waiver of the Executive's right to: (i) any vested rights under any benefit plan; (ii) payment for accrued but unused vacation and (iii) any right to indemnification under the Company's directors and officers insurance or to the maximum extent permitted by the Company's corporate formation documents.

The Executive understands that he has twenty-one (21) calendar days within which to consider this General Release before signing it. The Executive also understands that he is free to use as much of the twenty-one (21) calendar day period as he wishes or considers necessary before deciding to sign this General Release. The Executive may revoke his signature of this General Release within seven (7) calendar days of signing it by delivering written notice of revocation to the Director of Human Resources of the Company, 30 Technology Drive South, Warren, New Jersey 07059. If Executive has not revoked his signature of this General Release by written notice delivered within the seven (7) calendar day period, it becomes effective immediately thereafter.

The Executive understands that his failure or refusal to execute this General Release or his timely revocation of this General Release will result in forfeiture of any severance payments and benefits.

BY SIGNING THIS GENERAL RELEASE, EXECUTIVE ACKNOWLEDGES THAT:

HE HAS READ IT;

HE UNDERSTANDS IT AND KNOWS HE IS GIVING UP IMPORTANT RIGHTS;

HE AGREES WITH EVERYTHING IN IT;

HE HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTING THIS GENERAL RELEASE; AND

HE HAS SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY.

EXECUTIVE

/s/ Keith J. Kendall
KEITH J. KENDALL

May 17, 2022
Dated

[Signature Page to General Release]

EXHIBIT B

CONSULTING AGREEMENT

May 17, 2022

Mr. Keith J. Kendall
c/o Aquestive Therapeutics, Inc.
30 Technology Drive
Warren, NJ 07059

Consulting Agreement

Dear Mr. Kendall:

This letter agreement (the "Agreement") confirms the agreement between Aquestive Therapeutics, Inc. (the "Company") and you to engage in a consulting arrangement and sets forth the agreement between the Company and you regarding the terms of such consulting arrangement.

1. Term. The term of your services pursuant to this Agreement shall commence upon the separation of your employment as an officer and employee of the Company (the "Effective Date") and terminate on December 31, 2022. You or the Company may terminate the consulting arrangement hereunder at any time and for any reason (or no reason) by providing the other party with at least ten (10) days' advance written notice of such termination; provided that the Company shall pay you the remaining portion of the consulting fees in the event that it elects to so terminate this Agreement prior to December 31, 2022. The period of time during which you provide services to the Company hereunder shall be referred to herein as the "Consulting Period."
2. Consulting Services.
 - 2.1 Services. Your services hereunder during the Consulting Period shall consist of transition services to your successor, strategic planning, financial planning, merger and acquisition advice and consultation to the Company, as well as providing periodic advice and consultation regarding such other services mutually agreed to in writing by you and the Company (the "Consulting Services"). At all times, the Consulting Services shall be non-exclusive and you shall only be required to devote so much time as is reasonably necessary to discharge the Consulting Services; provided, however, that in no event shall the Consulting Services provided hereunder cause the termination of your employment with the Company to cease to be a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.
 - 2.2 Fees & Expenses. During the Consulting Period, the Company shall:
 - (a) pay you a monthly fee of \$10,000, payable in equal monthly installments in arrears and pro-rated for any partial month of service; and

- (b) pay or reimburse you, upon presentation of appropriate documentation, for reasonable out-of-pocket expenses incurred in connection with your performance of the Consulting Services in accordance with the Company's reimbursement policy, as in effect from time to time; provided, however, that (x) in no event may you seek to receive any reimbursement less than thirty (30) days prior to the last day of the calendar year following the calendar year in which the related expense was incurred, and (y) no amount reimbursed during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year.

3. Nature of the Relationship.

- 3.1 Independent Contractor. You acknowledge that the Consulting Services shall be performed in the capacity of an "independent contractor," that you are solely responsible for determining your actions or inactions in carrying out and performing the Consulting Services, and that nothing in this Agreement shall be construed to create an employment relationship between you and the Company. You agree that, with respect to the Consulting Services provided hereunder, you are not an employee of the Company for any purpose, including, without limitation: (i) for federal, state or local tax, employment, withholding or reporting purposes; or (ii) for eligibility or entitlement to any benefit under any of the Company's employee benefit plans (including, without limitation, those plans that are subject to the Employee Retirement Income Security Act of 1974, as amended), incentive compensation or other employee programs or policies, except as provided in this Agreement, or any post-employment entitlements pursuant to that certain separation agreement, by and between you and the Company, dated as of the date hereof (the "Separation Agreement") or as otherwise required by applicable law.
- 3.2 Code of Conduct. During the Consulting Period, you shall comply with the Company's Code of Business Conduct and Ethics, as in effect from time to time.
- 3.3 Payment of Taxes. You shall be responsible for and shall maintain adequate records of expenses that you incur in the course of performing the Consulting Services hereunder and shall be solely responsible for and shall file, on a timely basis, tax returns and payments required to be filed with or made to any federal, state or local tax authority with respect to your performance of the Consulting Services. Neither federal, state, nor local income tax of any kind shall be withheld or paid by the Company with respect to any amount paid to you pursuant to this Agreement. You agree that you are responsible for withholding and paying all taxes as required.

- 3.4 Indemnification. To the fullest extent permitted under applicable laws, rules and regulations and the Company's applicable corporate governance documents, the Company agrees to defend, indemnify and hold you harmless from any loss, liability, cost and expense (including, but not limited to, reasonable attorney's fees) incurred by you as a result of you being made a party to any action or proceedings by reason of your provision of the Consulting Services.
4. Modification or Waiver. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer or other authorized individual as may be designated by the Company.
5. Post-Employment Restrictive Covenants. The restrictive covenant obligations set forth in Section 8 of that certain executive employment agreement, by and between you and the Company, dated as of June 30, 2018, as amended (the "Employment Agreement"), are incorporated herein by reference and shall have the same legal force and effect as if fully set forth herein.
6. Documents and Materials. Upon the termination of the Consulting Period, or at any other time upon the Company's request, you shall promptly deliver to the Company, without retaining any copies, all documents and other materials furnished to you by the Company, prepared by you for the Company or otherwise relating to the Company's business.
7. General Provisions.
- 7.1 Entire Agreement. This Agreement, the Separation Agreement and the Employment Agreement (and the exhibits thereto) represent the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between you and the Company.
- 7.2 Governing Law; Jurisdiction; Venue. This Agreement shall be enforced, governed and interpreted by the laws of the State of New Jersey without regard to New Jersey's conflict of laws principles. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled in a court of competent jurisdiction in the State of New Jersey. Each party consents to the jurisdiction of such New Jersey court in any such civil action or legal proceeding and waives any objection to the laying of venue in such New Jersey court.
- 7.3 Prevailing Party. In the event of any litigation, dispute or contest arising from a breach of this Agreement, the prevailing party, as finally determined by a court of competent jurisdiction, shall be entitled to recover from the non-prevailing party all reasonable costs incurred in connection with such litigation, dispute or contest, including without limitation, reasonable attorneys' fees.

- 7.4 Enforceability; Waiver. If any arbitrator or court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then such invalidity or unenforceability shall have no effect on the other provisions of this Agreement, which shall remain valid, binding and enforceable and in full force and effect, and such invalid or unenforceable provision shall be construed, blue-penciled or reformed by the court or arbitrator in a manner so as to give the maximum valid and enforceable effect to the intent of the parties expressed in such provision. Your or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right that you or the Company may have hereunder, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. Similarly, the waiver by any party hereto of a breach of any provision of this Agreement by the other party will not operate or be construed as a waiver of any other or subsequent breach by such other party.
- 7.5 Headings. The descriptive headings in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.
- 7.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed an original but all of which together shall constitute one and the same agreement.
- 7.7 Signatures. Each party's signature on the lines below constitutes his or its agreement with each provision contained in this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first above written.

EXECUTIVE

AQUESTIVE THERAPEUTICS, INC.

/s/ Keith J. Kendall

Keith J. Kendall

By: /s/ Daniel Barber

Name: Daniel Barber

Title: Chief Operating Officer

[Signature Page to Consulting Agreement]

Aquestive Therapeutics Announces CEO Transition

- Daniel Barber, current Chief Operating Officer of Aquestive, appointed as President and Chief Executive Officer and member of Board of Directors
- Keith Kendall, President and Chief Executive Officer and member of Board of Directors, will be leaving the Company
- Keith Kendall engaged as consultant to end of year to assist in management transition

WARREN, N.J., May 17, 2022 -- Aquestive Therapeutics, Inc. (NASDAQ: AQST), a pharmaceutical company advancing medicines to solve patients' problems with current standards of care and provide transformative products to improve their lives, announced today that Keith Kendall, President and Chief Executive Officer and member of the Board of Directors of the Company, is leaving the Company. The Board of Directors has appointed Daniel Barber, the current Chief Operating Officer and long-tenured executive of the Company, to succeed Mr. Kendall as the President and Chief Executive Officer of Aquestive and member of its Board of Directors, effective immediately. The Company and Mr. Kendall entered into a consulting agreement effective upon his departure. Under the terms of the consulting agreement, Mr. Kendall will assist in the transition of the role of CEO and the execution of the Company's business strategy and operations until the end of the year.

Mr. Kendall joined the Company soon after its formation as the Chief Financial Officer. In June 2011, he was promoted to Co-President and Chief Operating Officer, and then to Chief Executive Officer in November 2014, at which time he was appointed as a member of the Board of Directors. Mr. Kendall led Aquestive through significant growth under his leadership, including a successful public market debut in 2018, approval of 6 drug products by the U.S. Food and Drug Administration with more than 10 years of product sales, launch of its first proprietary drug product Sympazan[®] in 2018, strengthening the management team, issuance of over 200 patents worldwide, and advancement of a late-stage proprietary product pipeline focused on treating diseases of the central nervous system and an earlier stage pipeline for the treatment of severe allergies, including anaphylaxis.

Santo Costa, Chairman of the Board of Directors, commented, "On behalf of the Board of Directors and Aquestive's colleagues, I would like to thank Keith for the vision and leadership he provided to the Company for the past 16 years and his many contributions to the Board in executing its oversight and governing responsibilities. He guided Aquestive through extraordinary growth and built a corporate culture which will serve as a platform for continued future success of the Company. We are pleased that Mr. Kendall will continue as an advisor to the Company and the senior management team through the end of the year. We wish him great success in his future endeavors."

Mr. Barber commented, "I look forward to joining our Board of Directors and helping to steer our business, and to continuing to work closely with our executive team and all of our colleagues to achieve our strategic goals. Since joining the Company in 2007, I have been involved in many different facets of the business and, in my new role, will remain keenly focused on advancing the two most important value drivers for Aquestive, product candidates Libervant and AQST-109, while carefully managing costs."

Mr. Costa stated, "The Board is excited to have Dan join the board and expand his responsibilities at Aquestive. Dan has played a major role in the Company's success and is ideally suited to assume these added responsibilities because of his integral knowledge of all aspects of the business and his strong relationships throughout the industry. I have confidence that, under Dan's strong leadership and commitment to the continued success of our business, with the contribution of our talented and capable management team, we will continue to execute our strategy as we evolve our business."

Mr. Kendall's departure is unrelated to the Company's strategy, operations, financial condition, reported financial results, internal controls or disclosure controls and procedures.

About Aquestive Therapeutics

Aquestive Therapeutics, Inc. (NASDAQ: AQST) is a pharmaceutical company advancing medicines to solve patients' problems with current standards of care and provide transformative products to improve their lives. We are developing orally administered products to deliver complex molecules, providing novel alternatives to invasive and inconvenient standard of care therapies. Aquestive has five commercialized products on the U.S. market, five licensed products and one stand-alone proprietary product to date, Sympazan[®] (clobazam) oral film for the treatment of seizures associated with Lennox-Gastaut syndrome. Our licensees market their products in the U.S. and around the world. The Company also collaborates with pharmaceutical companies to bring new molecules to market using proprietary, best-in-class technologies, like PharmFilm[®], and has proven drug development and commercialization capabilities. Aquestive is advancing a late-stage proprietary product pipeline focused on treating diseases of the central nervous system, or CNS, and an earlier stage pipeline for the treatment of severe allergic reactions, including anaphylaxis. For more information, visit [Aquestive.com](https://www.aquestive.com) and follow us on LinkedIn.

Forward-Looking Statement

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "anticipate," "plan," "expect," "estimate," "intend," "may," "will," or the negative of those terms, and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding the effects of the changes to our management described herein; our ability to retain key personnel; the 2021 financial outlook; and business strategies, market opportunities, and other statements that are not historical facts. These forward-looking statements are subject to the uncertain impact of the COVID-19 global pandemic on our business including with respect to our clinical trials including site initiation, patient enrollment and timing and adequacy of clinical trials; on regulatory submissions and regulatory reviews and approvals of our product candidates; pharmaceutical ingredient and other raw materials supply chain, manufacture, and distribution; sale of and demand for our products; our liquidity and availability of capital resources; customer demand for our products and services; customers' ability to pay for goods and services; and ongoing availability of an appropriate labor force and skilled professionals. Given these uncertainties, the Company is unable to provide assurance that operations can be maintained as planned prior to the COVID-19 pandemic.

These forward-looking statements are also based on our current expectations and beliefs and are subject to a due number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with the Company's development work, including any delays or changes to the timing, cost and success of our product development activities and clinical trials and plans for AQST-109, AQST-108 and our other drug candidates; risk of delays in regulatory advancement through the FDA of Libervant, AQST-109, AQST-108, and our other drug candidates or failure to receive approval; the ability to address the concerns identified in the FDA's Complete Response Letter dated September 25, 2020 regarding the NDA for Libervant, including the risk that the FDA may require additional clinical studies for FDA approval of Libervant for U.S. market access; risk of our ability to demonstrate to the FDA the "clinical superiority" of Libervant within the meaning of the FDA regulations relative to FDA-approved diazepam rectal gel and nasal spray products including by establishing a major contribution to patient care within the meaning of FDA regulations relative to the approved products, as well as risks related to other potential pathways or positions which are or may in the future be advanced to the FDA to overcome the seven year orphan drug exclusivity granted by the FDA for the approved nasal spray product of a competitor in the U.S., and there can be no assurance that the Company will be successful; the timing of the PDUFA target goal date for Libervant; the potential for AQST-109 as the first orally administered epinephrine product candidate for the treatment of anaphylaxis; the focus on growing the Company's commercial sales of Sympazan[®]; risk that a competitor obtains FDA orphan drug exclusivity for a product with the same active moiety as any of our other drug product candidates for which we are seeking FDA approval and that such earlier approved competitor orphan drug blocks such other product candidates in the U.S. for seven years for the same indication; risk that a competitor will obtain other market exclusivity with respect to our product candidates; risk in obtaining market access for our product candidates for other reasons; risk inherent in commercializing a new product (including technology risks, financial risks, market risks and implementation risks and regulatory limitations); risk of development of our sales and marketing capabilities; risk of legal costs associated with and the outcome of our patent litigation challenging third party at risk generic sale of our proprietary products; risk of sufficient capital and cash resources, including access to available debt and equity financing, including under the Company's At-The-Market facility and the Lincoln Park Purchase Agreement, and revenues from operations, to satisfy all of our short-term and longer term cash requirements and other cash needs, at the times and in the amounts needed, or at all; risks and uncertainties concerning the royalty and other revenue stream of the KYNMOBI[®] monetization transaction, achievement of royalty targets worldwide or in any jurisdiction and certain other commercial targets required for contingent payments under the monetization transaction; risk of our ability to collect the upfront cash payment under the Company's license agreement with Haisco Pharmaceutical Group Co., Ltd.; risk of failure to satisfy all financial and other debt covenants and of any default; short-term and long-term liquidity and cash requirements, cash funding and cash burn; risk related to government claims against Indivior for which we license, manufacture and sell Suboxone[®] and which accounts for the substantial part of our current operating revenues; risk of eroding market share for Suboxone and risk of a sunseting product; risks related to the outsourcing of certain marketing and other operational and staff functions to third parties; risk of the rate and degree of market acceptance of our product and product candidates; the success of any competing products, including generics; risk of the size and growth of our product markets; risks of compliance with all FDA and other governmental and customer requirements for our manufacturing facilities; risks associated with intellectual property rights and infringement claims relating to the Company's products; risk of unexpected patent developments; the impact of existing and future legislation and regulatory provisions on product exclusivity; legislation or regulatory actions affecting pharmaceutical product pricing, reimbursement or access; claims and risks that may arise regarding the safety or efficacy of the Company's products and product candidates; including anticipated sales of Sympazan[®]; risk of loss of significant customers; risks related to legal proceedings, including patent infringement, securities, investigative and antitrust litigation matters; changes in government laws and regulations; risk of product recalls and withdrawals; uncertainties related to general economic, political, business, industry, regulatory and market conditions and other unusual items; and other uncertainties affecting the Company described in the "Risk Factors" section and in other sections included in our Annual Report on Form 10-K, in our Quarterly Reports on Form 10-Q, and in our Current Reports on Form 8-K filed with the Securities Exchange Commission. Given those uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as of the date made. All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. The Company assumes no obligation to update forward-looking statements or outlook or guidance after the date of this press release whether as a result of new information, future events or otherwise, except as may be required by applicable law.

PharmFilm®, Sympazan® and the Aquestive logo are registered trademarks of Aquestive Therapeutics, Inc. All other registered trademarks referenced herein are the property of their respective owners.

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