
**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**

November 2, 2018
Date of report (Date of earliest event reported)

GENPREX, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-38244
(Commission File Number)

90 - 0772347
(I.R.S. Employer
Identification Number)

1701 Trinity Street, Suite 3.322, Austin, TX
(Address of principal executive offices)

78712
(Zip Code)

Registrant's telephone number, including area code: **(512) 537-7997**

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 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 8.01. Other Events.

Revised Outside Director Compensation Policy

On November 2, 2018, the Board approved a revised Outside Director Compensation Policy (the “Policy”), a copy of which is filed herewith as Exhibit 10.1 and incorporated by reference herein. Under the Policy, the Company’s non-employee directors will be compensated for service on the Board as follows:

Equity Grants

Each of the Company’s non-employee directors will receive an annual equity grant on the date of the annual meeting of stockholders of \$80,000 worth of the Company’s common stock in the form of stock options. Newly appointed or elected directors who are not employees of the Company will receive a pro-rated equity grant in connection with their appointment or election to the Board. The options will vest in full on the first anniversary of the grant date (or, if earlier, the day before the annual meeting of stockholders that is closest to the one-year anniversary). All unvested equity awards held by a non-employee director will accelerate and immediately vest upon a change of control of the Company, provided that the non-employee director continues to serve as a director through such date. The fair market value of the annual equity grant will be based on the market price of the Company’s common stock at the time of grant.

Cash Retainers

Each of the Company’s non-employee directors will also annually receive \$40,000 for general availability and participation in meetings and conference calls of the Board, to be paid quarterly in arrears on a pro-rated basis. Additionally, the audit committee chairperson will annually receive \$20,000, an audit committee member will annually receive \$10,000, the compensation committee chairperson will annually receive \$10,000, a compensation committee member will annually receive \$5,000, the nominating and corporate governance committee chairperson will annually receive \$10,000, and a nominating and corporate governance committee member will annually receive \$5,000, in each case, to be paid quarterly in arrears on a pro-rated basis.

Expenses

The Company will continue to reimburse non-employee directors for their reasonable, customary and documented travel expenses incurred in attending meetings of Board.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	<u>Outside Director Compensation Policy</u>

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 thereunto duly authorized.

GENPREX, INC.

Date: November 8, 2018

By: /s/ Ryan Confer
Ryan Confer
Chief Financial Officer
(Principal Financial Officer)

GENPREX, INC.
OUTSIDE DIRECTOR COMPENSATION POLICY

Genprex, Inc. (the “**Company**”) believes that the granting of equity and cash compensation to its members of the Board of Directors (the “**Board**,” and members of the Board, the “**Directors**”) represents an effective tool to attract, retain and reward Directors who are not employees of the Company (the “**Outside Directors**”). This Outside Director Compensation Policy (the “**Policy**”) is intended to formalize the Company’s policy regarding cash compensation and grants of equity to its Outside Directors. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given such term in the Company’s 2018 Equity Incentive Plan (the “**Plan**”). Each Outside Director will be solely responsible for any tax obligations incurred by such Outside Director as a result of the equity and cash payments such Outside Director receives under this Policy.

1. CASH COMPENSATION

a. Annual Cash Retainer. Each Outside Director will be paid an annual cash retainer of \$40,000. There are no per-meeting attendance fees for attending Board meetings.

b. Committee Chair and Membership Annual Cash Retainer. Each Outside Director who serves as chairman or a member of a committee of the Board will be paid additional annual fees as follows:

- Chairman of Audit Committee: \$20,000
- Member of Audit Committee (other than the Chairman of the Audit Committee): \$10,000
- Chairman of Compensation Committee: \$10,000
- Member of Compensation Committee (other than the Chairman of the Compensation Committee): \$5,000
- Chairman of Nominating and Corporate Governance Committee: \$10,000
- Member of Nominating and Corporate Governance Committee (other than the Chairman of the Nominating and Corporate Governance Committee): \$5,000

Each annual cash retainer and additional annual fee will be paid quarterly in arrears on a prorated basis.

The Board in its discretion may change and otherwise revise the terms of the cash compensation granted under this Policy, including, without limitation, the amount of cash

compensation to be paid, on or after the date the Board determines to make any such change or revision.

2. EQUITY COMPENSATION

Outside Directors will be entitled to receive all types of Awards (except Incentive Stock Options) under the Plan (or the applicable equity plan in place at the time of grant), including discretionary Awards not covered under this Policy. All grants of Awards to Outside Directors pursuant to Section 2 of this Policy will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

a. Initial Award. Each individual who first becomes an Outside Director following the effective date of the registration statement in connection with the initial public offering of the Company's securities (the "**Registration Date**") and following the first annual meeting of the Company's stockholders (an "**Annual Meeting**") following the Registration Date will automatically be granted an Award (the "**Initial Award**"), which grant will be effective on the date on which such individual first becomes an Outside Director, whether through election by the stockholders of the Company or appointment by the Board to fill a vacancy. The Initial Award will have a Value (as defined below) of \$80,000 multiplied by a fraction (1) the numerator of which is (x) 12 minus (y) the number of full months between the date of the last Annual Meeting and the date the Outside Director becomes a member of the Board and (2) the denominator of which is 12 (with the result rounded down to the nearest whole Share). For example, if nine months have lapsed between the last Annual Meeting and the Outside Director's start date, his or her Initial Award will have a Value of \$20,000. The Initial Award will be comprised solely of Nonstatutory Stock Options.

b. Exceptions. Notwithstanding the foregoing, a Director who is an Employee (an "**Inside Director**") who ceases to be an Inside Director, but who remains a Director, will not receive an Initial Award.

c. Annual Award. Each Outside Director will be automatically granted an Award (an "**Annual Award**") with a Value of \$80,000 (rounded down to the nearest whole Share), which grant will be effective on the date of each Annual Meeting, beginning with the first Annual Meeting following December 31, 2018; provided that any Outside Director who is not continuing as a Director following the applicable Annual Meeting will not receive an Annual Award with respect to such Annual Meeting. The Annual Award will be comprised solely of Nonstatutory Stock Options.

d. Exercise Price and Vesting. The Exercise Price of a Nonstatutory Stock Option Award may not be less than 100% of the Fair Market Value on the date of grant of the Award. Subject to Sections 2.g and 5 below and Section 14 of the Plan, each Initial Award and Annual Award will vest as to 100% of the Shares subject thereto upon the earlier of the one (1) year anniversary of the grant date or the day prior to the Company's next Annual Meeting occurring after the grant date, in each case, provided that the Outside Director continues to serve as a Service Provider through the applicable vesting date.

e. Value. For purposes of this Policy, “**Value**” of an Award of a Nonstatutory Stock Option will equal the value of such Award, calculated in accordance with the Black Scholes Model in a manner consistent with the Company’s policies and practices for calculating the value of stock options for purposes of the Company’s financial statements.

f. No Discretion. No person will have any discretion to select which Outside Directors will be granted an Initial Award or Annual Awards under this Policy or to determine the number of Shares to be covered by such Initial Award or Annual Awards, as applicable (except as provided in Sections 5 and 9 below).

g. Change in Control. In the event of a Change in Control, each Outside Director will fully vest in his or her Initial Award or Annual Awards provided that the Outside Director continues to serve as a Director through such date.

3. TRAVEL EXPENSES

Each Outside Director’s reasonable, customary and documented travel expenses to Board meetings will be reimbursed by the Company.

4. ADDITIONAL PROVISIONS

All provisions of the Plan not inconsistent with this Policy will apply to Awards granted to Outside Directors.

5. ADJUSTMENTS

In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Policy, will adjust the number of Shares issuable pursuant to Awards granted under this Policy.

6. LIMITATIONS

No Outside Director may be issued, in any Fiscal Year, cash payments (including the fees under Section 1 above) with a value greater than \$175,000, provided that such limit shall be \$250,000 with respect to any Outside Director who serves in the capacity of Non-Executive Chairman of the Board, Lead Director and/or Audit Committee Chair at any time during the Fiscal Year. No Outside Director may be granted, in any Fiscal Year, Awards with a grant date Value greater than \$600,000, increased to \$900,000 in the Fiscal Year of his or her initial service as an Outside Director. Any Awards or other compensation granted to an individual for his or her services as an Employee, or for his or her services as a Consultant other than an Outside Director, will be excluded for purposes of the limitations under this Section 6.

7. INDEPENDENT COMPENSATION CONSULTANTS

The Board shall have the authority to retain one or more independent compensation consultants to provide advice, analysis and recommendations to the Board in connection with compensation decisions under the Policy.

8. SECTION 409A

In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (a) the fifteenth (15th) day of the third (3rd) month following the end of the Company's fiscal year in which the compensation is earned or expenses are incurred, as applicable, or (b) the fifteenth (15th) day of the third (3rd) month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and guidance thereunder, as may be amended from time to time (together, "**Section 409A**"). It is the intent of this Policy that this Policy and all payments hereunder be exempt from or otherwise comply with the requirements of Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company reimburse an Outside Director for any taxes imposed or other costs incurred as a result of Section 409A.

9. REVISIONS

The Board or any Committee designated by the Board may amend, alter, suspend or terminate this Policy at any time and for any reason. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of an Outside Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed between the Outside Director and the Company. Termination of this Policy will not affect the Board's or the Compensation Committee's ability to exercise the powers granted to it under the Plan with respect to Awards granted under the Plan pursuant to this Policy prior to the date of such termination.