
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

Date of report (Date of earliest event reported): **October 1, 2016**

GALENA BIOPHARMA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-33958
(Commission
File Number)

20-8099512
(I.R.S. Employer
Identification No.)

2000 Crow Canyon Place, Suite 380,
San Ramon, CA 94583

(Address of Principal Executive
Offices) (Zip Code)

Registrant's telephone number, including area code: (855) 855-4253

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 (see General Instruction A.2. below):

- 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))
-

Item 1.01 Entry Into A Material Definitive Agreement

On October 1, 2016, the Company also entered into a second amendment of the offer letter with Mr. Thomas J. Knapp, Interim General Counsel and Corporate Secretary, which continued his employment until March 31, 2017. Under the amendment, Mr. Knapp will be entitled to bonus as determined by the board of directors for 2016, an annualized salary of \$334,750.00, or approximately \$27,896 per month, and to participate in employee benefit plans made available generally to our employees. In connection with his continued employment, we will grant Mr. Knapp under our 2016 Incentive Plan, a stock option to purchase up to 102,000 shares of our common stock. The option will have an exercise price equal to the closing price of our common stock on the date of grant, will be subject to vesting in equal monthly installments over the term of the amendment beginning 1 month from the grant date, subject to Mr. Knapp's remaining in our continuous service through each monthly vesting date, and be on such other terms and provisions as are contained in our standard-form stock option agreement under our 2007 Plan. In addition, in the event Mr. Knapp's employment with the Company is terminated without cause (as such term is defined in the amendment), then he will be entitled to receive his base salary through the end of the term of the amendment and if terminated under certain circumstances including without cause upon a change of control (as such term is defined in the amendment), then he will be entitled to a severance payment equal to six months of base salary. Such descriptions are qualified in their entirety by reference to the amendment, which was filed as Exhibit 10.1 hereto and is incorporated herein by reference. The foregoing terms of the amendment was approved by the Compensation Committee of the Company's Board of Directors.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 Second Amendment to Offer Letter between Galena Biopharma, Inc. and Thomas J. Knapp

Second Amendment to Offer Letter between Galena Biopharma, Inc. and Thomas J. Knapp

This second amendment (“Second Amendment”) to the Offer Letter (“Offer Letter”) dated June 23, 2015 between Galena Biopharma, Inc. (“Galena” or “Employer”) and Thomas J. Knapp (“Employee”) is made this October 1, 2016 and amends the Offer Letter with the following provisions:

1. The term of the Second Amendment (“Second Amendment Term”) will commence on October 1, 2016 and end on March 31, 2017, unless sooner terminated as provide in the Offer Letter or is extended by mutual agreement.
2. During the Second Amendment Term, the salary shall be \$27,895.83 (\$334,750 annualized) per month (prorated for any period of less than a full month), payable in accordance with our standard payroll practices and subject to deductions for applicable federal, state and local withholding.
3. You will be paid a 2016 bonus as determined by the Board of Director’s Compensation Committee based on a target bonus percentage of 30% payable in January 2017, in accordance with our standard bonus payment procedures.
4. In the event you are terminated without Cause; provided, however, that Employer shall remain obligated to continue paying your base salary at the time of termination for a period of six months following the termination. Upon any termination, Employee shall be entitled to payment of any unused vacation time (only as accrued as of the date of such termination as provided in this Agreement and in accordance with applicable law) and reimbursement of business expenses accrued but unpaid as of the date of termination. If during the Term, there is a Change of Control of Employer and (i) the Employee is terminated without Cause, (ii) the compensation, benefits, title, or duties of Employee under this Agreement are significantly reduced, or (iii) Employee must relocate more than 50 miles from his current residence, Employee shall be considered terminated by Employer without Cause and Employer or any successor to Employer shall remain obligated to continue paying your base salary at the time of termination for a period of six months following the date of termination, with all of the benefits and payments due Employee as detailed in this Section.
 - a. Cause shall mean any of the following:
 - (i) Employee's breach of any material term of this Agreement, including its Exhibits; provided that the first occasion of any particular breach shall not constitute Cause unless Employee shall have previously received written notice from Employer stating the nature of such breach and affording Employee at least ten days to correct such breach;
 - (ii) Employee s conviction of, or plea of guilty or no lo contendere to, any felony or other crime of moral turpitude;

- (iii) Employee's act of fraud or dishonesty injurious to Employer or its reputation;
- (iv) Employee's continual failure or refusal to perform his material duties as required under this Agreement after written notice from Employer stating the nature of such failure or refusal and affording Employee at least ten days to correct the same;
- (v) Employee's act or omission that, in the reasonable determination of Employer's Board (or a Committee of the Board), indicates alcohol or drug abuse by Employee; or
- (vi) Employee's act or personal conduct that, in the judgment of the Board (or a Committee of the Board), gives rise to a material risk of liability of Employee or Employer under federal or applicable state law for discrimination, or sexual or other forms of harassment, or other similar liabilities to subordinate employees.

b. Change of Control shall mean any of the following transactions, provided, however, that the Company shall determine whether multiple or successive transactions are related to constitute a Change in Control, and its determination shall be final, binding and conclusive: (1) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities; (2) the consummation of the sale, liquidation or disposition by the Company of all or substantially all of the Company's assets; or (3) the consummation of a merger, consolidation, reorganization or other corporation transaction involving the Company, in each case, in which the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such transaction.

5. The Company will grant you under its 2016 Incentive Plan (the "2016 Plan"), a non-qualified stock option to purchase 102,000 shares of common stock of the Company. The option will have an exercise price equal to the closing price of our common stock on the date of grant, will vest in equal monthly installments over Second Amendment Term, beginning 1 month from the date of grant, so long as you remain in the Company's continuous service through each monthly vesting date, and be on such other terms and provisions as are contained in the Company's standard-form nonqualified stock option agreement under the 2016 Plan.
 6. This offer letter and any dispute concerning the validity, enforceability or interpretation of this offer letter or the terms of your employment will be governed by the internal laws of the State of California without regard to conflict-of-law principles.
-

All other terms in the Offer Letter shall remain in full force and effect.

Galena Biopharma, Inc.

/s/ Mark W. Schwartz

By: Mark W. Schwartz

Title: President and Chief Executive Officer

/s/ Thomas J. Knapp

Thomas J. Knapp