

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): **December 27, 2018**

AVADEL PHARMACEUTICALS PLC

(Exact name of registrant as specified in its charter)

Ireland
(State or Other Jurisdiction
of Incorporation)

000-28508
(Commission File Number)

98-1341933
(I.R.S. Employer
Identification No.)

Block 10-1
Blanchardstown Corporate Park, Ballycoolin
Dublin 15, Ireland
(Address of Principal Executive Offices)

Not Applicable
(Zip Code)

Registrant's telephone number, including area code: **+353 1 485 1200**

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).

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 1.01 Entry into a Material Definitive Agreement.

On December 30, 2018, Avadel Pharmaceuticals plc, an Irish public limited company (the “Company”), and Avadel Management Corporation, a Delaware corporation and wholly-owned subsidiary of the Company (“Avadel Management Corporation”), entered into an Employment Agreement Termination and Release Agreement with Michael S. Anderson (the “Termination and Release Agreement”), relating to the termination of Mr. Anderson’s employment as Chief Executive Officer of the Company under the employment agreement between Mr. Anderson and Avadel Management Corporation dated as of August 15, 2017 (the “Anderson Employment Agreement”). The Termination and Release Agreement is more particularly described below under Item 5.02 of this Current Report on Form 8-K and a copy thereof is attached hereto as Exhibit 10.1.

Item 1.02 Termination of a Material Definitive Agreement.

The information in Items 1.01 and 5.02(b) of this Current Report on Form 8-K is hereby incorporated by reference into this Item 1.02.

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

(b)

Resignation of Chief Executive Officer and Director

On December 30, 2018 (the “Termination Date”), in connection with the execution and delivery of the Termination and Release Agreement, Michael S. Anderson resigned as Chief Executive Officer and as a member of the Board of Directors of the Company. Mr. Anderson’s decision to resign as a member of the Board of Directors of the Company was not the result of any disagreement relating to the Company’s operations, policies or practices.

The Termination and Release Agreement terminates the Anderson Employment Agreement, other than certain specified sections thereof including section 4 (providing for certain post-employment restrictive covenants). Pursuant to the Termination and Release Agreement, (i) Mr. Anderson is entitled to receive (a) a cash payment of \$899,106.00, payable in 18 consecutive, equal monthly installments, commencing on the first payroll date following the Termination Date; (b) a one-time, lump sum cash payment of \$48,495.50 to be paid on the first monthly payroll date occurring after the one-month anniversary of the Effective Date for Mr. Anderson’s assistance with transition services; and (c) a one-time, lump sum cash payment of \$18,000 to be paid on the first monthly payroll date after the one-month anniversary of the Effective Date for an automobile allowance, (ii) the Company will waive the post-termination limitation on the exercise period under any of Mr. Anderson’s vested options under equity incentive plans relating to the Company’s equity securities; (iii) all awards and options with respect to the Company’s equity securities under any such incentive plans that have not vested as of the Termination Date shall no longer be subject to further vesting and shall be cancelled effective as of the Termination Date; (iv) Mr. Anderson and/or his spouse will be permitted to continue participation in the Company’s health plan under COBRA and the Company will pay the COBRA premiums on behalf of Mr. Anderson and/or his spouse until the earliest of: (a) the expiration of 18 months following the Termination Date; (b) when Mr. Anderson and/or his spouse, as applicable, becomes covered under another employer’s health plan or no longer eligible for COBRA continuation coverage; and (v) Mr. Anderson released the Company and its affiliates from certain claims.

The description of the Termination and Release Agreement set forth herein does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Termination and Release Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

(c)

Appointment of Interim Chief Executive Officer

Effective December 30, 2018, the Board of Directors of the Company appointed Mr. Gregory J. Divis as the Company's Interim Chief Executive Officer. Mr. Divis joined the Company in January 2017 as Executive Vice President and Chief Commercial Officer, and in March 2018 he was promoted to Executive Vice President and Chief Operating Officer. Prior to joining the Company, he served as an Executive in Residence at Linden Capital Partners, a healthcare-focused private equity firm. With over 25 years of experience in the pharmaceutical industry, Mr. Divis has served as President and Chief Executive Officer of Lumara Health, a specialty branded pharmaceutical company focused on women's health. Prior to Lumara, Mr. Divis held general management, sales, marketing and business development roles at Schering Plough and Sanofi-Aventis.

No family relationships exist between Mr. Divis and any of the Company's directors or executive officers. There are no arrangements or understandings between Mr. Divis and any other person pursuant to which Mr. Divis was selected as the Interim Chief Executive Officer, nor are there any transactions to which the Company is or was a participant in which Mr. Divis has a material interest subject to disclosure pursuant to Item 404(a) of Regulation S-K.

Mr. Divis entered into an employment agreement with Avadel Management Corporation as of August 15, 2017 which was described in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on September 11, 2017 and a copy of which was filed as Exhibit 10.2 to the Company's quarterly report on Form 10-Q filed with the SEC on November 9, 2017. Such description and such copy are incorporated by reference herein.

(d)

Election of Director

On December 27, 2018, the Board of Directors of the Company, acting on the recommendation of its Nominating and Corporate Governance Committee, unanimously appointed Dr. Eric J. Ende to the Board of Directors, effective immediately. Dr. Ende's term will expire at the Company's 2019 Annual General Meeting of Shareholders. Dr. Ende will be compensated pursuant to the same arrangements as the Company's other non-management directors, with his cash compensation pro-rated to reflect the partial term he will serve through the Company's 2019 Annual General Meeting of Shareholders. Compensation arrangements for directors are described under the heading "Director Compensation" in the Company's 2018 Proxy Statement.

There are no arrangements or understandings between Dr. Ende and any other person pursuant to which Dr. Ende was appointed to serve on the Board of Directors of the Company. Dr. Ende has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

On January 3, 2019, the Company issued a press release announcing certain management and corporate governance changes. The press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information responsive to this Item 7.01 of this Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as may be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| | |
|----------------------|---|
| 10.1 | Employment Termination and Release Agreement, dated December 30, 2018, between Avadel Management Corporation, Avadel Pharmaceuticals plc and Michael S. Anderson. |
| 99.1 | Press release of Avadel Pharmaceuticals plc dated January 3, 2019.* |

* This information shall be deemed to be “furnished” and not filed herewith.

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.

AVADEL PHARMACEUTICALS PLC

By: /s/ Phillandas T. Thompson
Phillandas T. Thompson
Senior Vice President, General Counsel and
Corporate Secretary

Date: January 3, 2019

Exhibit Index

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|----------------------|---|
| 10.1 | Employment Termination and Release Agreement, dated December 30, 2018, between Avadel Management Corporation, Avadel Pharmaceuticals plc and Michael S. Anderson. |
| 99.1 | Press release of Avadel Pharmaceuticals plc dated January 3, 2019.* |

* This information shall be deemed to be "furnished" and not filed herewith.

EMPLOYMENT AGREEMENT TERMINATION
AND RELEASE AGREEMENT

Dated as of December 30, 2018

This Employment Agreement Termination and Release Agreement (this "Agreement") is entered into between Avadel Management Corporation, a Delaware corporation (the "Employer"), and Avadel Pharmaceuticals plc, an Irish public limited company and the parent of the Employer (the "Parent" and, together with the Employer, the "Companies"), on the one hand, and Michael S. Anderson, an individual resident of the State of South Carolina (the "Executive"), on the other hand. The Employer, the Parent and the Executive may be referred to herein individually as a "Party," and collectively as the "Parties." This Agreement will become effective on the day following the seven-day Revocation Period described in Section 6 hereof (the "Effective Date"), provided that the Executive does not revoke the Agreement within the Revocation Period.

WHEREAS, the Employer and the Executive are parties to that certain Employment Agreement dated as of August 15, 2017 (the "Employment Agreement"); and the Parties wish to set forth their mutual agreement to terminate the Employment Agreement and the Executive's employment thereunder on the terms set forth herein.

NOW THEREFORE, in consideration of the premises, mutual promises, and agreements of the Parties set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree to the following:

1. Termination. Except as expressly provided in this Agreement, the Parties acknowledge and agree that:

(i) the Employment Agreement and the Executive's employment thereunder are hereby terminated effective as of the date the Executive executes this Agreement (the "Termination Date") notwithstanding any provisions hereof to the contrary and whether or not this Agreement becomes effective, except that the Executive shall continue to be subject to and bound by Section 4 of the Employment Agreement, and Sections 2.3, 2.5(c), 3, 4 and 5 of the Employment Agreement shall also remain in full force and effect following the execution and delivery of this Agreement and the Effective Date and the termination of the Executive's employment;

(ii) from and after the Termination Date, the Executive shall have no further privileges with or duties or obligations to the Parent, the Employer or any of the Parent's other direct or indirect subsidiaries (such subsidiaries, together with the Parent and the Employer, collectively, the "Group"), and shall not represent himself as being an employee, officer, director, agent or representative of any member of the Group for any purpose; and

(iii) the Executive resigns as a member of the Board of Directors of the Parent and any member of the Group as of the Termination Date.

For the avoidance of doubt, the Executive acknowledges that he is no longer the Chief Executive Officer of the Parent.

2. Return of Property. The Executive represents and warrants that he has returned to the Employer all property of any member of the Group, including identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files, and any other Group property in the Executive's possession (other than documents pertaining to the Executive's own compensation and benefits). Such property also includes, without limitation, any originals, copies, and abstracts containing any Restricted Information (as defined in the Employment Agreement) in the Executive's possession or control.

3. Executive Representation. The Executive hereby represents and warrants to the Companies that the Executive has not engaged in any unlawful conduct relating to the business of the Group.

4. Separation Benefits.

(a) Provided that the Executive executes this Agreement and returns it to the Companies as described in Section 6 hereof within twenty-one (21) days after December 21, 2018 (the date this Agreement was presented to him) and does not revoke this Agreement within the Revocation Period described in Section 6 hereof, the Employer shall pay or provide (as applicable) to the Executive the following benefits (collectively, the "Separation Benefits"):

(i) A cash payment of \$899,106.00, representing 1.5 times the Executive's final annual base salary, which shall be paid to the Executive (less required withholdings) in eighteen (18) consecutive, equal monthly installments in accordance with the Employer's normal payroll practices, with such installments to be no less frequently than monthly, commencing on the first payroll date following the Termination Date provided, however, that any installments that the Executive would otherwise be entitled to receive under this Section 4(a)(i) prior to the Effective Date shall be accumulated and paid in a lump sum on the first monthly payroll date occurring after the Effective Date.

(ii) A cash payment of \$48,495.50 in exchange for the Executive's cooperation as set forth in Section 7(a) hereof, to be paid to the Executive (less required withholdings) on the first monthly payroll date occurring after the one-month anniversary of the Effective Date.

(iii) The Parent will waive the post-termination limitation on the exercise period under any of the Executive's vested options under equity incentive plans relating to the Parent's equity securities but the Executive will still be bound by the original, ten-year expiration date of the options; provided, however, that, for the avoidance of doubt, all awards and options with respect to the Parent's equity securities under any such incentive plans that have not vested as of the Termination Date shall no longer be subject to further vesting and shall be cancelled effective as of the Termination Date.

(iv) The Employer shall provide the Executive an automobile allowance of \$1,000.00 per month for eighteen (18) months, which shall be paid to the Executive in one lump sum of \$18,000.00 (less required withholdings) on the first monthly payroll date after the one-month anniversary of the Effective Date.

(v) If the Executive and/or his spouse timely and properly elects continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Employer shall pay the COBRA premiums on a monthly basis on behalf of the Executive and his spouse (at coverage levels in effect immediately prior to the Termination Date) until the earlier of: (i) eighteen (18) months following the Termination Date and (ii) when the Executive (and/or his spouse, as applicable) becomes covered under another employer's health plan or otherwise become ineligible for COBRA.

(b) The Executive understands, acknowledges, and agrees that the Separation Benefits exceed what the Executive is otherwise entitled to receive upon a termination of the Employment Agreement and any related separation from or termination of employment. Nothing in this Agreement shall be deemed or construed as an express or implied policy or practice of the Group to provide these or other benefits to any individuals other than the Executive and his spouse.

(c) Notwithstanding any other provision of this Agreement, the Executive shall be entitled to receive (i) the Executive's annual base salary through the Termination Date which remains unpaid, (ii) any accrued but unpaid bonuses for any completed fiscal year of either Company due to the Executive under any Company benefit plan, (iii) any reimbursements for expenses incurred but not yet paid, (iv) any accrued but unpaid vacation pay due to the Executive and (v) any benefits which pursuant to the terms of any plans, policies or programs have been earned by or become payable to the Executive, but which have not yet been paid to the Executive. The foregoing amounts will be paid to the Executive in a lump sum (less withholdings) as soon as administratively practicable (and no later than forty-five (45) days) after the Termination Date, except that any benefits owed to the Executive under the terms of any Company benefit plans, policies or programs shall be paid in accordance with the terms of such Company benefit plans, policies or programs. Notwithstanding the foregoing, the Executive shall not be entitled to receive, and hereby agrees to forfeit, any severance benefits that the Executive otherwise might be eligible to receive under any other Company benefit plans, policies or programs.

5. Release; Waiver and Covenant Not to Sue.

(a) Release and Waiver of Claims by the Executive. The Executive, on behalf of himself and his heirs, executors, representatives, agents, insurers, administrators, successors, and assigns (collectively, the "Releasors"), except only as may be expressly provided in this Agreement (including but not limited to in Section 5(d) hereof), irrevocably and unconditionally fully and forever releases, waives, and discharges the Parent, the Employer and each other member of the Group, their respective affiliates, predecessors, successors, and assigns, and their respective officers, directors, employees, shareholders, trustees and partners, in their corporate and individual capacities (collectively, the "Releasees"), from any and all claims, demands, actions, causes of actions, obligations, judgments, rights, fees, damages, debts, obligations, liabilities, and expenses (inclusive of attorneys' fees) of any kind whatsoever (collectively, "Claims"), whether known or unknown, from the beginning of time through the Effective Date, including, without limitation, any claims under any federal, state, local or foreign law, that Releasors may have, have ever had, or may in the future have arising out of, or in any way related to the Executive's hiring, salary or other compensation, benefits, employment, termination or separation from employment with or service to the Parent, the Employer and each other member of the Group (including termination of the Employment Agreement) and any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter, including, but not limited to:

(i) any and all claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act (with respect to existing but not prospective claims), the Equal Pay Act, the Executive Retirement Income Security Act, (with respect to unvested benefits), the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Age Discrimination in Employment Act, the Uniform Services Employment and Reemployment Rights Act, the Genetic Information Nondiscrimination Act, and any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived and released;

(ii) any and all claims for compensation of any type whatsoever, including but not limited to claims for salary, wages, bonuses, commissions, incentive compensation, vacation, and severance that may be legally waived and released, including, but not limited to, any amounts owed to the Executive under the Employment Agreement;

(iii) any and all claims arising under tort, contract, and quasi-contract law, including but not limited to claims of breach of an expressed or implied contract, tortious interference with contract or prospective business advantage, breach of the covenant of good faith and fair dealing, promissory estoppel, detrimental reliance, invasion of privacy, nonphysical injury, personal injury or sickness or any other harm, wrongful or retaliatory discharge, fraud, defamation, slander, libel, false imprisonment, and negligent or intentional infliction of emotional distress; and

(iv) any and all claims for monetary or equitable relief, including but not limited to attorneys' fees, back pay, front pay, reinstatement, experts' fees, medical fees or expenses, costs, and disbursements.

By referencing the laws above, the Companies do not admit to coverage of the Group or the Releasees under any of these laws. The Executive represents that the Executive has not assigned or transferred, or purported to assign or transfer, any of the claims released in this Section 5(a) or any portion thereof or interest therein to any third party prior to the Effective Date.

(b) Release and Waiver of Claims by the Company. In exchange for the agreement of the Executive as set forth herein, the Company and the Group, irrevocably and unconditionally fully and forever release, waive, and discharge the Executive from any and all Claims, whether known or unknown, from the beginning of time through the Effective Date, without limitation, any claims under any federal, state, local or foreign law, that the Company or the Group may have, have ever had, or may in the future have against Executive arising out of, or in any way related to the Executive's employment with or service to the Company and the Parent, except as provided in Section 5(e) hereof.

(c) Settlement, Accord, Satisfaction and Covenant Not to Sue. The Executive acknowledges that this Agreement constitutes a full settlement, accord and satisfaction of all Claims covered by the provisions of Section 5(a) hereof. The Executive covenants and agrees not to sue or file any Claim against any of the Releasees in any court of law with respect to any Claim released by Section 5(a) hereof. The Executive also agrees to waive the right to receive future monetary recovery directly from the Companies or Releasees, including payments by any member of the Group that result from any complaints or charges that the Executive files with any governmental agency (including the Equal Employment Opportunity Commission) or that are filed on the Executive's behalf.

(d) Claims Not Released by the Executive. Notwithstanding the foregoing, it is understood by the Parties that the Executive is not releasing any claims that may arise under the terms of this Agreement or that may arise out of events occurring after the Effective Date or that may not be released as a matter of law. The Executive also is not releasing claims to any benefits that the Executive already is entitled to receive under any of the employee benefit plans of the Group, or any right the Executive has to benefits under workers' compensation laws, unemployment compensation laws or COBRA. However, the Executive understands and acknowledges that nothing herein is intended to, nor shall it be construed to, require any member of the Group to institute or continue in effect any particular plan or benefit sponsored by the Employer or the Parent. The Companies hereby reserve the right to amend or terminate any compensation or benefit programs of any member of the Group at any time in accordance with the procedures set forth in such plans or programs.

(e) Claims Not Released by the Company. Notwithstanding the foregoing, it is understood by the Parties that the Company is not releasing any claims that may arise under the terms of this Agreement or that may arise out of events occurring after the Effective Date or that may not be released as a matter of law. The Company also is not releasing claims against Executive associated with any criminal action or willful misconduct by and of the Executive.

6. Consideration Period and Right to Revoke. The Parties acknowledge and agree that the Executive has been given at least twenty-one (21) calendar days to consider the terms of this Agreement (although the Executive may execute this Agreement at any time within the 21-day period). The Executive understands that he may revoke the Agreement by notifying the Companies in writing of such revocation within seven (7) calendar days following execution thereof (the "Revocation Period"). If the Executive chooses to revoke this Agreement, the Executive must provide written notification of the revocation to Phillandas T. Thompson at the Employer by email/fax/overnight delivery (in accordance with the notices provision set forth in Section 9(j) hereof) before the end of the Revocation Period and such notice must be received by the close of business on the seventh day following the date the Executive signed this Agreement to be effective. If the Executive revokes this Agreement within the Revocation Period, this Agreement shall not become effective and the Executive will not receive the Separation Benefits described in Section 4 of this Agreement. If the Executive does not revoke the Agreement within the Revocation Period, the Agreement will be binding upon the Executive on the Effective Date (as defined in the initial paragraph of this Agreement) and will be irrevocable.

7. Cooperation.

(a) The Group may desire to consult with the Executive for a limited time following the date hereof with respect to the transition of his duties and certain other matters. Accordingly, for thirty (30) days following the Termination Date, to the extent reasonably requested by the Employer, the Executive shall consult with and cooperate with the Group in connection with such matters as the Group may request which relate to the Executive's prior service to the Group. The Parties agree that (i) any services the Executive may provide shall not result in the extension of the Executive's employment beyond the Termination Date and (ii) in no event will the level of services that the Executive will provide after the Termination Date exceed twenty percent (20%) of the level of services that the Executive has provided over the immediately-preceding thirty-six (36) month period.

(b) The Executive agrees that the Executive shall, to the extent reasonably requested in writing, cooperate with the Group in any pending or future litigation in which any member of the Group is a party, and regarding which the Executive, by virtue of his relationship with the Group, has factual knowledge or information relevant to said litigation. The Executive further agrees that in any such litigation, the Executive shall, without the necessity for subpoena, provide, in any jurisdiction in which the member of the Group requests, truthful testimony relevant to said litigation.

(c) The Employer shall reimburse the Executive for reasonable expenses (including attorney fees) incurred in connection with the cooperation described in this Section 7. Any expenses incurred with this cooperation shall be paid within sixty (60) days after the Executive submits such expenses to the Employer.

8. Remedies. If the Executive fails to comply with any of the terms of this Agreement or Sections 4.1, 4.2, 4.3, or 4.4 of the Employment Agreement, the Employer may, in addition to any other remedies it may have, reclaim the gross amount (before withholding taxes) of any Separation Benefits paid to or on behalf of the Executive under the provisions of this Agreement or terminate any Separation Benefits that are later due under this Agreement, without waiving the releases provided in it.

9. Miscellaneous.

(a) Assignment. The Companies may assign their rights under this Agreement to any entity that assumes the Companies' obligations hereunder in connection with a merger, consolidation or sale or transfer of all or substantially all of the Companies' assets to such entity. This Agreement shall inure to the benefit of the Group and its successors and assigns. The Executive may not assign this Agreement in whole or in part. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment.

(b) Governing Law: Jurisdiction and Venue. This Agreement and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of the State of Missouri (including its statutes of limitations) without regard to any conflicts of laws principles that would require the laws of any other jurisdiction to apply.

(c) Entire Agreement. This Agreement contains all of the understandings and representations between the Companies and the Executive relating to the subject matter hereof and supersedes all prior and contemporaneous understandings, discussions, agreements, representations, and warranties, both written and oral, regarding such subject matter, including, without limitation, the Employment Agreement which shall be deemed terminated as of the Effective Date, except Sections 2.3, 2.5(c), 3, 4, and 5 of the Employment Agreement. For the avoidance of doubt, it is expressly agreed and understood that the Parties shall continue to be bound by the provisions of Sections 2.5(c) and 4.2 of the Employment Agreement. In the event of any inconsistency between this Agreement and any other agreement between the Executive and the Companies, the statements in this Agreement shall control.

(d) Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the Companies. No waiver by either Party of any breach by the other Party of any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by any of the Parties in exercising any right, power, or privilege under this Agreement operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

(e) Severability and Modification. If any of the provisions of this Agreement are determined by any court with jurisdiction over the matter to be unreasonable or unenforceable, in whole or in part, as written, the Parties hereby consent to and affirmatively request that such court reform the provision so as to be reasonable and enforceable and that such court enforce the provision as reformed. If any provision of this Agreement (except for the Release provision found in Section 5) is found by that court to be overbroad or otherwise unenforceable and not capable of modification, it shall be severed and the remaining provisions of the Agreement enforced in accordance with the tenor of this Agreement.

(f) Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

(g) Counterparts. The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile, email in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document has the same effect as delivery of an executed original of this Agreement.

(h) Non-admission. Nothing in this Agreement shall be construed as an admission by the Group of any wrongdoing, liability, or noncompliance under or with any federal, state, city, or local rule, ordinance, statute, common law, or other legal obligation.

(i) Publicity. The Companies agree to permit the Executive to review and comment on any press release or public announcement regarding the termination of the Executive's Employment Agreement or employment with the Employer.

(j) Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (A) when delivered by hand (with written confirmation of receipt); (B) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (C) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (D) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9(j)):

If to the Parent or the Employer:

Avadel Pharmaceuticals plc
16640 Chesterfield Grove Road, Suite 200
Chesterfield, Missouri 63017
E-mail: pthompson@avadel.com
Attention: Phillandas T. Thompson, Senior Vice President, General Counsel and Corporate Secretary

If to the Executive:

2870 Brownell Avenue
Sullivans Island, SC 29482

(k) Acknowledgment of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS, AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT. THE EXECUTIVE FURTHER ACKNOWLEDGES THAT THE EXECUTIVE'S SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE RELEASEES FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW.

(l) Section 409A. It is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) shall be paid and provided in a manner, and at such time and form, as complies with the applicable requirements of Section 409A of the Code to avoid the unfavorable tax consequences provided therein for non-compliance. Because the Executive is a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the Code, any payments to be made or benefits to be delivered in connection with Executive’s “Separation from Service” (as determined for purposes of Section 409A of the Code) that constitute deferred compensation subject to Section 409A of the Code would not be made until the earlier of (i) the Executive’s death or (ii) six months after the Executive’s Separation from Service (the “409A Deferral Period”) as required by Section 409A of the Code. The Executive will incur a separation from service within the meaning of Section 409A of the Code as of the Termination Date. However, because (i) all rights to payments and benefits are to be treated as rights to receive a series of separate payments and benefits to the fullest extent permitted by Section 409A of the Code and (ii) under the Employment Agreement, the payments under this Agreement are to be bifurcated and treated as exempt from Section 409A of the Code under the short-term deferral or separation pay exceptions, to the extent permitted under Section 409A of the Code (with the earliest amounts payable to be first treated as exempt to the extent such exceptions are available), none of the amounts payable to the Executive under this Agreement are subject to the 409A Deferral Period. Notwithstanding any other provision of this Agreement, neither the Companies nor any other member of the Group shall be liable to the Executive if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Section 409A of the Code otherwise fails to comply with, or be exempt from, the requirements of Section 409A of the Code.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

COMPANIES:

AVADEL MANAGEMENT CORPORATION

By: /s/ Phillandas T. Thompson

Name: Phillandas T. Thompson

Title: Secretary

AVADEL PHARMACEUTICALS, PLC

By: /s/ Phillandas T. Thompson

Name: Phillandas T. Thompson

Title: Senior Vice President, General Counsel and Corporate Secretary

EXECUTIVE:

/s/ Michael S. Anderson

Michael S. Anderson

Avadel Pharmaceuticals Announces Changes to Management Team and Board of Directors

- Michael S. Anderson resigns as Chief Executive Officer and member of Avadel's Board of Directors –
- Gregory J. Divis, current Avadel Chief Operating Officer, named Interim Chief Executive Officer –
- Geoffrey M. Glass, current member of Avadel's Board of Directors, named Chairman, replacing the Honorable Craig Stapleton, who will remain on the Board -
- Eric J. Ende, M.D., M.B.A. appointed to Avadel's Board of Directors -

DUBLIN, Ireland, Jan. 3, 2019 (GLOBE NEWSWIRE) -- Avadel Pharmaceuticals plc (Nasdaq: AVDL), a company focused on providing innovative medicines for chronic urological, central nervous system, and sleep disorders, today announced that Michael S. Anderson has resigned as Chief Executive Officer and as a member the Company's Board of Directors. Gregory J. Divis, Chief Operating Officer of Avadel, has been named Interim Chief Executive Officer of Avadel, effective immediately. The Board of Directors is initiating a search for a permanent Chief Executive Officer.

In conjunction with the management change, Geoffrey M. Glass, President of Clear Sciences, LLC and current member of Avadel's Board of Directors, has been named Chairman of the Board. The Honorable Craig Stapleton is stepping down as Chairman but will remain on the Company's Board. In addition, Dr. Eric J. Ende, an experienced biopharmaceutical industry leader, has joined Avadel's Board of Directors following consultation with Broadfin Capital, LLC.

"On behalf of the entire Board, I would like to thank Mike Anderson for his leadership and service to Avadel and to the Honorable Craig Stapleton for his past and future contributions to the Company as Chairman and member of the Board," said Mr. Glass. "I look forward to working closely with Greg and his team as we enter 2019. We will be evaluating all aspects of our existing businesses and corporate strategy to ensure we are best positioned to serve patients and rebuild shareholder value. With four new directors appointed in recent months, I am confident that the Board is fully aligned and focused on these missions."

"I am excited to be joining the Board of Directors at this important time," said Dr. Eric Ende. "Avadel is a company that delivers value to patients via a strong portfolio of medicines both on market and in development. There is a great opportunity for the Company to re-focus and drive value for shareholders. I look forward to working with my colleagues on the Board to make that happen."

Dr. Ende currently serves as President of Ende BioMedical Consulting Group and as a member of Matinas Biopharma's Board of Directors. Previously he served on the Board of Directors of Genzyme from 2010 until it was acquired by Sanofi-Aventis in 2011 for \$20 billion. During his tenure on Genzyme's Board of Directors, Dr. Ende was a member of the Audit and Risk Management Committees. From 2002 through 2008, Dr. Ende was the senior biotechnology analyst at Merrill Lynch. From 2000 to 2002, Dr. Ende served as the senior biotechnology analyst at Bank of America Securities and, from 1997 to 2000, he served as a biotechnology analyst at Lehman Brothers.

About Avadel Pharmaceuticals plc

Avadel Pharmaceuticals plc (Nasdaq: AVDL) is a specialty pharmaceutical company that seeks to develop differentiated pharmaceutical products that are safe, effective and easy to take through formulation development, by utilizing its proprietary drug delivery technology and through in-licensing / acquiring new products; ultimately, helping patients adhere to their prescribed medical treatment and see better results. Avadel's current portfolio of products and product candidates focuses on the urology, central nervous system (CNS) / sleep, and hospital markets. The Company is headquartered in Dublin, Ireland with operations in St. Louis, Missouri and Lyon, France. For more information, please visit www.avadel.com.

Cautionary Note Regarding “Forward-Looking Statements”

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These may include statements as to our future expectations, beliefs, plans, strategies, objectives, events, conditions, financial performance, prospects, or other events. In some cases, forward-looking statements can be identified by the use of words such as “will,” “forward,” “future,” and similar expressions, and in certain cases the negatives thereof. Although we believe that our forward-looking statements are based on assumptions or estimates made within the bounds of our knowledge of our business and operations, our business and operations are subject to significant risks and as a result there can be no assurance that actual results will not differ materially from the results contemplated in such forward-looking statements. These risks include the risks, uncertainties and contingencies described in our filings with the U.S. Securities and Exchange Commission (the “SEC”), including our quarterly report on Form 10-Q filed with the SEC on November 5, 2018 and our annual report on Form 10-K filed with the SEC on March 16, 2018, in particular the disclosures in such reports set forth under the captions “Forward-Looking Statements” and “Risk Factors.” You should not place undue reliance on forward-looking statements, which speak only as of the date they are made and are not guarantees of future performance. We do not undertake any obligation to publicly update or revise these forward-looking statements.

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