
**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): July 1, 2021

TEMPEST THERAPEUTICS, INC.
(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35890
(Commission
File Number)

45-1472564
(IRS Employer
Identification No.)

**7000 Shoreline Court, Suite 275
South San Francisco, CA 94080**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (415) 798-8589

N/A
(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 (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))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	TPST	The Nasdaq Capital Market

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

Emerging growth company

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

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

Appointment of Director

On July 1, 2021, the Board appointed Christine Pellizzari as a Class II Director. Ms. Pellizzari has served as the General Counsel and Corporate Secretary of Insmmed, Inc. (“**Insmmed**”) since 2013 and as Chief Legal Officer since 2018. Prior to joining Insmmed, from 2007 through 2012, Ms. Pellizzari held various legal positions of increasing responsibility at Aegerion Pharmaceuticals, Inc. (“**Aegerion**”), most recently as Executive Vice President, General Counsel and Secretary. Prior to Aegerion, Ms. Pellizzari served as Senior Vice President, General Counsel and Secretary of Dendrite International, Inc. (“**Dendrite**”). Ms. Pellizzari joined Dendrite from the law firm of Wilentz, Goldman & Spitzer where she specialized in health care transactions and related regulatory matters. She previously served as law clerk to the Honorable Reginald Stanton, Assignment Judge for the Superior Court of New Jersey. Ms. Pellizzari received her Bachelor of Arts, cum laude, from the University of Massachusetts, Amherst and her Juris Doctor degree from the University of Colorado, Boulder.

Ms. Pellizzari’s Class II term will expire at the Company’s Annual Meeting of Stockholders in 2023. Ms. Pellizzari has been appointed to the Audit Committee of the Board. Ms. Pellizzari will receive standard non-employee director compensation under the Company’s policies. Ms. Pellizzari does not have any relationship with the Company that would require disclosure pursuant to Item 404(a) of Regulation S-K.

Indemnification Agreements

On July 1, 2021, each director and executive officer of the Company entered into an indemnification agreement with the Company. The form of such indemnification agreements is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Employment Agreements

On July 7, 2021, the Company entered into new employment agreements with each of Stephen Brady, the Chief Executive Officer of the Company, Thomas Dubensky, Ph.D., the President of the Company, and Samuel Whiting, M.D., Ph.D., the Chief Medical Officer of the Company, copies of which are attached as Exhibits 10.2, 10.3 and 10.4 and are incorporated herein by reference.

Pursuant to his employment agreement, Mr. Brady is entitled to an annual base salary of \$475,283 and is eligible for an annual performance bonus with a target amount equal to 40% of his base salary. In addition, Mr. Brady’s employment agreement confirms a grant of stock options to purchase 250,000 shares of the Company’s common stock. In the event that Mr. Brady experiences a termination of his employment without “cause” or he resigns for “good reason” outside of the “change in control period” (as such terms are defined in Mr. Brady’s employment agreement), provided that he executes and makes effective a release of claims against the Company and its affiliates, Mr. Brady will become entitled to (i) an amount equal to 12 months’ annual base salary plus a prorated portion of his target annual bonus for the year in which his employment terminates, payable in bi-weekly installments, (ii) an amount equal to any annual bonus for any completed calendar year, to the extent earned but not yet paid at the time of such termination, and (iii) provided that Mr. Brady elects healthcare continuation coverage under COBRA, Company-paid COBRA premiums for a maximum of 12 months.

In the event that Mr. Brady experiences a termination of his employment without cause or he resigns for good reason during the change in control period, provided that he executes and makes effective a release of claims against the Company and its affiliates, Mr. Brady will become entitled to (i) an amount equal to 18 months’ annual base salary and 150% of his

target annual performance bonus, payable in a lump sum, (ii) an amount equal to any annual bonus for any completed calendar year, to the extent earned but not yet paid at the time of such termination; (iii) provided that Mr. Brady elects healthcare continuation coverage under COBRA, Company-paid COBRA premiums for a maximum of 18 months.

Pursuant to his employment agreement, Dr. Dubensky is entitled to an annual base salary of \$476,283 and is eligible for an annual performance bonus with a target amount equal to 40% of his base salary. In addition, Dr. Dubensky's employment agreement confirms a grant of stock options to purchase 250,000 shares of the Company's common stock. In the event that Dr. Dubensky experiences a termination of his employment without "cause" or he resigns for "good reason" outside of the "change in control period" (as such terms are defined in Dr. Dubensky's employment agreement), provided that he executes and makes effective a release of claims against the Company and its affiliates, Dr. Dubensky will become entitled to (i) an amount equal to 12 months' annual base salary plus a prorated portion of his target annual bonus for the year in which his employment terminates, payable in bi-weekly installments, (ii) an amount equal to any annual bonus for any completed calendar year, to the extent earned but not yet paid at the time of such termination, and (iii) provided that Dr. Dubensky elects healthcare continuation coverage under COBRA, Company-paid COBRA premiums for a maximum of 12 months.

In the event that Dr. Dubensky experiences a termination of his employment without cause or he resigns for good reason during the change in control period, provided that he executes and makes effective a release of claims against the Company and its affiliates, Dr. Dubensky will become entitled to (i) an amount equal to 18 months' annual base salary and 100% of his target annual performance bonus, payable in a lump sum, (ii) an amount equal to any annual bonus for any completed calendar year, to the extent earned but not yet paid at the time of such termination; and (iii) provided that Dr. Dubensky elects healthcare continuation coverage under COBRA, Company-paid COBRA premiums for a maximum of 18 months.

Pursuant to his employment agreement, Dr. Whiting is entitled to an annual base salary of \$400,000 and is eligible to receive an annual performance bonus with a target amount equal to 35% of his base salary. In the event that Dr. Whiting experiences a termination of his employment without "cause" or he resigns for "good reason" outside of the "change in control period" (as such terms are defined in Dr. Whiting's employment agreement), provided that he executes and makes effective a release of claims against the Company and its affiliates, Dr. Whiting will become entitled to (i) an amount equal to nine months' annual base salary plus a prorated portion of his target annual bonus for the year in which his employment terminates, payable in bi-weekly installments, (ii) an amount equal to any annual bonus for any completed calendar year, to the extent earned but not yet paid at the time of such termination, and (iii) provided that Dr. Whiting elects healthcare continuation coverage under COBRA, Company-paid COBRA premiums for a maximum of nine months.

In the event that Dr. Whiting experiences a termination of his employment without cause or he resigns for good reason during the change in control period, provided that he executes and makes effective a release of claims against the Company and its affiliates, Dr. Whiting will become entitled to (i) an amount equal to 12 months' annual base salary and 100% of his target annual performance bonus, payable in a lump sum, (ii) an amount equal to any annual bonus for any completed calendar year, to the extent earned but not yet paid at the time of such termination; and (iii) provided that Dr. Whiting elects healthcare continuation coverage under COBRA, Company-paid COBRA premiums for a maximum of 12 months.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	Form of Indemnification Agreement
10.2	Employment Agreement, dated July 7, 2021, by and between the Company and Stephen Brady
10.3	Employment Agreement, dated July 7, 2021, by and between the Company and Thomas Dubensky, Ph.D.
10.4	Employment Agreement, dated July 7, 2021, by and between the Company and Samuel Whiting, M.D., Ph.D.

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.

TEMPEST THERAPEUTICS, INC.

Date: July 7, 2021

By: /s/ Stephen Brady

Name: Stephen Brady

Title: Chief Executive Officer

**DIRECTOR AND OFFICER
INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT (this “**Agreement**”) is entered into as of the _____ day of _____, _____, by and between Tempest Therapeutics, Inc., a Delaware corporation (the “**Company**”), and _____ (“**Indemnitee**”).

RECITALS

A. The Company is aware that competent and experienced persons are increasingly reluctant to serve or continue serving as directors or officers of companies unless they are protected by comprehensive liability insurance and adequate indemnification due to the increased exposure to litigation costs and risks resulting from service to such companies that often bear no relationship to the compensation of such directors or officers.

B. The statutes and judicial decisions regarding the duties of directors and officers are often insufficient to provide directors and officers with adequate, reliable knowledge of the legal risks to which they are exposed or the manner in which they are expected to execute their fiduciary duties and responsibilities.

C. The Company and the Indemnitee recognize that plaintiffs often seek damages in such large amounts, and the costs of litigation may be so great (whether or not the claims are meritorious), that the defense and/or settlement of such litigation can create an extraordinary burden on the personal resources of directors and officers.

D. The board of directors of the Company has concluded that, to attract and retain competent and experienced persons to serve as directors and officers of the Company, it is not only reasonable and prudent but necessary to promote the best interests of the Company and its stockholders for the Company to contractually indemnify its directors and certain of its officers in the manner set forth herein, and to assume for itself liability for expenses and damages in connection with claims against such directors and officers in connection with their service to the Company as provided herein.

E. Section 145 of the General Corporation Law of Delaware (the “**DGCL**”) permits the Company to indemnify and advance defense costs to its officers and directors and to indemnify and advance expenses to persons who serve at the request of the Company as directors, officers, employees, or agents of other corporations or enterprises.

F. The Company desires and has requested the Indemnitee to serve or continue to serve as a director and/or officer of the Company, and the Indemnitee is willing to serve, or to continue to serve, as a director and/or officer of the Company if the Indemnitee is furnished the indemnity provided for herein by the Company.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the corresponding meanings set forth below.

“Change in Control” means each of the following:

(i) The date any Person becomes the “Beneficial Owner,” as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of 30% or more of the combined voting power of the Company’s outstanding shares, other than beneficial ownership by (A) the Company or any subsidiary of the Company, (B) any employee benefit plan of the Company or any subsidiary of the Company or (C) any entity of the Company for or pursuant to the terms of any such plan. Notwithstanding the foregoing, a Change in Control shall not occur as the result of an acquisition of outstanding shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate number of shares beneficially owned by a Person to 30% or more of the shares of the Company then outstanding; provided, however, that if a Person becomes the Beneficial Owner of 30% or more of the shares of the Company then outstanding by reason of share purchases by the Company and shall, after such share purchases by the Company, become the Beneficial Owner of any additional shares of the Company, then a Change in Control shall be deemed to have occurred; or

(ii) The date the Company consummates a merger or consolidation with another entity, or engages in a reorganization with or a statutory share exchange or an exchange offer for the Company’s outstanding voting stock of any class with another entity or acquires another entity by means of a statutory share exchange or an exchange offer, or engages in a similar transaction; provided that no Change in Control shall have occurred by reason of this paragraph unless either:

(A) the stockholders of the Company immediately prior to the consummation of the transaction would not, immediately after such consummation, as a result of their beneficial ownership of voting stock of the Company immediately prior to such consummation (I) be the Beneficial Owners, directly or indirectly, of securities of the resulting or acquiring entity entitled to elect a majority of the members of the board of directors or other governing body of the resulting or acquiring entity; and (II) be the Beneficial Owners of the resulting or acquiring entity in substantially the same proportion as their beneficial ownership of the voting stock of the Company immediately prior to such transaction; or

(B) those persons who were directors of the Company immediately prior to the consummation of the proposed transaction would not, immediately after such consummation, constitute a majority of the directors of the resulting entity.

(iii) The date of the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any Person (as defined in paragraph (i) above) other than an affiliate of the Company (meaning any corporation that is part of a controlled group within the meaning of the Internal Revenue Code of 1986, as amended, Section 414(b) or (c)); or

(iv) The date the number of duly elected and qualified directors of the Company who were not either elected by the Company's Board or nominated by the Board or its nominating/governance committee for election by the shareholders shall constitute a majority of the total number of directors of the Company as fixed by its By-Laws.

The Reviewing Party shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change in Control and any incidental matters relating thereto.

"Claim" means a claim or action asserted by a Person in a Proceeding or any other written demand for relief in connection with or arising from an Indemnification Event.

"Covered Entity" means (i) the Company, (ii) any subsidiary of the Company or (iii) any other Person for which Indemnitee is or was or may be deemed to be serving, at the request of the Company or any subsidiary of the Company, as a director, officer, employee, controlling person, agent or fiduciary.

"Disinterested Director" means, with respect to any determination contemplated by this Agreement, any Person who, as of the time of such determination, is a member of the Company's board of directors but is not a party to any Proceeding then pending with respect to any Indemnification Event.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Expenses" means any and all direct and indirect fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating, printing and binding costs, telephone charges, postage and delivery service fees and all other disbursements or expenses of any type or nature whatsoever reasonably incurred by Indemnitee (including, subject to the limitations set forth in **Section 3(c)** below, reasonable attorneys' fees) in connection with or arising from an Indemnification Event,

including, without limitation: (i) the investigation or defense of a Claim; (ii) being, or preparing to be, a witness or otherwise participating, or preparing to participate, in any Proceeding; (iii) furnishing, or preparing to furnish, documents in response to a subpoena or otherwise in connection with any Proceeding; (iv) any appeal of any judgment, outcome or determination in any Proceeding (including, without limitation, any premium, security for and other costs relating to any cost bond, supersedeas bond or any other appeal bond or its equivalent); (v) establishing or enforcing any right to indemnification under this Agreement (including, without limitation, pursuant to **Section 2(c)** below), the DGCL or otherwise, regardless of whether Indemnitee is ultimately successful in such action, unless as a part of such action, a court of competent jurisdiction over such action determines that each of the material assertions made by Indemnitee as a basis for such action was not made in good faith or was frivolous; (vi) Indemnitee's defense of any Proceeding instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement (including, without limitation, costs and expenses incurred with respect to Indemnitee's counterclaims and cross-claims made in such action); and (vii) any Federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including all interest, assessments and other charges paid or payable with respect to such payments. For purposes of clarification, Expenses shall not include Losses.

An "**Indemnification Event**" shall be deemed to have occurred if Indemnitee was or is or becomes, or is threatened to be made, a party to or witness or other participant in, or was or is or becomes obligated to furnish or furnishes documents in response to a subpoena or otherwise in connection with, any Proceeding by reason of the fact that Indemnitee is or was or may be deemed a director, officer, employee, controlling person, agent or fiduciary of any Covered Entity, or by reason of any action or inaction on the part of Indemnitee while serving in any such capacity.

"**Independent Legal Counsel**" means an attorney or firm of attorneys that is experienced in matters of corporate law and neither presently is, nor in the thirty-six (36) months prior to such designation has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

"**Losses**" means any and all losses, claims, damages, liabilities, judgments, fines, penalties, settlement payments, awards and amounts of any type whatsoever incurred by Indemnitee in connection with or arising from an Indemnification Event. For purposes of clarification, Losses shall not include Expenses.

"**Organizational Documents**" means any and all organizational documents, charters or similar agreements or governing documents, including, without limitation, (i) with respect to a corporation, its certificate of incorporation and bylaws, (ii) with respect to a limited liability company, its operating agreement, and (iii) with respect to a limited partnership, its partnership agreement.

“**Proceeding**” means any threatened, pending or completed claim, action, suit, proceeding, arbitration or alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or appeal or any other actual, threatened or completed proceeding, whether brought in the right of a Covered Entity or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, internal or investigative nature.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or other entity or government or agency or political subdivision thereof.

“**Reviewing Party**” means, with respect to any determination contemplated by this Agreement, any one of the following: (i) a majority of the Disinterested Directors, even if such Persons would not constitute a quorum of the Company’s board of directors; (ii) a committee consisting solely of Disinterested Directors, even if such Persons would not constitute a quorum of the Company’s board of directors, so long as such committee was designated by a majority of the Disinterested Directors; (iii) Independent Legal Counsel designated by the Disinterested Directors (or, if there are no Disinterested Directors, the Company’s board of directors) (in which case, any determination shall be evidenced by the rendering of a written opinion); or (iv) in the absence of any Disinterested Directors, the Company’s stockholders; provided, that, in the event that a Change in Control has occurred, the Reviewing Party shall be Independent Legal Counsel (selected by Indemnitee) in a written opinion to the board of directors of the Company, a copy of which shall be delivered to the Indemnitee.

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended.

2. Indemnification.

(a) Indemnification of Losses and Expenses. If an Indemnification Event has occurred, then, subject to **Section 9** below, the Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by the DGCL, as such law may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than were permitted prior thereto), against any and all Losses and Expenses; provided that the Company’s commitment set forth in this **Section 2(a)** to indemnify the Indemnitee shall be subject to the limitations and procedural requirements set forth in this Agreement.

(b) Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Losses or Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) Advancement of Expenses. The Company shall advance Expenses to or on behalf of Indemnitee to the fullest extent permitted by the DGCL, as such law may be amended from time to time (but in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than were permitted prior thereto), as soon as practicable, but in any event not later than 30 days after written request therefor by Indemnitee, which request shall be accompanied by vouchers, invoices or similar evidence documenting in reasonable detail the Expenses incurred or to be incurred by Indemnitee; provided, however, that Indemnitee need not submit to the Company any information that counsel for Indemnitee reasonably deems is privileged and exempt from compulsory disclosure in any Proceeding. Execution and delivery of this Agreement by the Indemnitee constitutes an undertaking to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized by this Agreement. No other form of undertaking shall be required other than the execution of this Agreement.

(d) Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for Losses or Expenses, in connection with any Proceeding relating to an Indemnification Event under this Agreement, in such proportion as is deemed fair and reasonable by the Reviewing Party in light of all of the circumstances of such Proceeding in order to reflect (1) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such Proceeding; and (2) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

3. Indemnification Procedures

(a) Notice of Indemnification Event. Indemnitee shall give the Company notice as soon as practicable of any Indemnification Event of which Indemnitee becomes aware and of any request for indemnification hereunder, provided that any failure to so notify the Company shall not relieve the Company of any of its obligations under this Agreement, except if, and then only to the extent that, such failure increases the liability of the Company under this Agreement.

(b) Notice to Insurers. The Company shall give prompt written notice of any Indemnification Event which may be covered by the Company's liability insurance to the insurers in accordance with the procedures set forth in each of the applicable policies of insurance. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Indemnification Event in accordance with the terms of such policies; provided that nothing in this **Section 3(b)** shall affect the Company's obligations under this Agreement or the Company's obligations to comply with the provisions of this Agreement in a timely manner as provided.

(c) Selection of Counsel. If the Company shall be obligated hereunder to pay or advance Expenses or indemnify Indemnitee with respect to any Losses, the Company shall be entitled to assume the defense of any related Claims, with counsel selected by the Company. After the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee

with respect to the defense of such Claims; provided that: (i) Indemnitee shall have the right to employ counsel in connection with any such Claim at Indemnitee's expense; and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) counsel for Indemnitee shall have provided the Company with written advice that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (C) the Company shall not continue to retain such counsel to defend such Claim, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company.

4. Determination of Right to Indemnification.

(a) Successful Proceeding. To the extent Indemnitee has been successful, on the merits or otherwise, in defense of any Proceeding referred to in **Section 2(a)**, the Company shall indemnify Indemnitee against Losses and Expenses incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding, but is successful, on the merits or otherwise, as to one or more but less than all Claims in such Proceeding, the Company shall indemnify Indemnitee against all Losses and Expenses actually or reasonably incurred by Indemnitee in connection with each successfully resolved Claim.

(b) Other Proceedings. In the event that **Section 4(a)** is inapplicable, the Company shall nevertheless indemnify Indemnitee as provided in **Section 2(a)** or **2(b)**, as applicable, or provide a contribution payment to the Indemnitee as provided in **Section 2(d)**, to the extent determined by the Reviewing Party.

(c) Reviewing Party Determination. A Reviewing Party chosen by the Company's board of directors shall determine whether Indemnitee is entitled to indemnification, subject to the following:

(i) A Reviewing Party so chosen shall act in the utmost good faith to assure Indemnitee a complete opportunity to present to such Reviewing Party Indemnitee's case that Indemnitee has met the applicable standard of conduct.

(ii) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of a Covered Entity, including, without limitation, its financial statements, or on information supplied to Indemnitee by the officers or employees of a Covered Entity in the course of their duties, or on the advice of legal counsel for a Covered Entity or on information or records given, or reports made, to a Covered Entity by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by a Covered Entity. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of a Covered Entity shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this **Section 4(c)(ii)** are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Any Person seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(iii) If a Reviewing Party chosen pursuant to this **Section 4(c)** shall not have made a determination whether Indemnitee is entitled to indemnification within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (A) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (B) a prohibition of such indemnification under applicable law; provided, however, that such 30 day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the Reviewing Party in good faith requires such additional time for obtaining or evaluating documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this **Section 4(c)(iii)** shall not apply if (I) the determination of entitlement to indemnification is to be made by the stockholders of the Company, (II) a special meeting of stockholders is called by the board of directors of the Company for such purpose within thirty (30) days after the stockholders are chosen as the Reviewing Party, (III) such meeting is held for such purpose within sixty (60) days after having been so called, and (IV) such determination is made thereat.

(d) Appeal to Court. Notwithstanding a determination by a Reviewing Party chosen pursuant to **Section 4(c)** that Indemnitee is not entitled to indemnification with respect to a specific Claim or Proceeding (an "**Adverse Determination**"), Indemnitee shall have the right to apply to the court in which that Claim or Proceeding is or was pending or the courts in the state of Delaware for the purpose of enforcing Indemnitee's right to indemnification pursuant to this Agreement, provided that Indemnitee shall commence any such Proceeding seeking to enforce Indemnitee's right to indemnification within one (1) year following the date upon which Indemnitee is notified in writing by the Company of the Adverse Determination. In the event of any dispute between the parties concerning their respective rights and obligations hereunder, the Company shall have the burden of proving that the Company is not obligated to make the payment or advance claimed by Indemnitee.

(e) Presumption of Success. The Company acknowledges that a settlement or other disposition short of final judgment shall be deemed a successful resolution for purposes of **Section 4(a)** if it permits a party to avoid expense, delay, distraction, disruption or uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration), it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence.

(f) Settlement of Claims. The Company shall not be liable to indemnify Indemnitee under this Agreement or otherwise for any amounts paid in settlement of any Proceeding effected without the Company's written consent. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold their consent to any proposed settlement. The Company shall not be liable to

indemnify the Indemnitee under this Agreement with regard to any judicial award if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action; the Company's liability hereunder shall not be excused if participation in the Proceeding by the Company was barred by this Agreement.

5. Additional Indemnification Rights; Non-exclusivity.

(a) Scope. The Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law, even if such indemnification is not specifically authorized by the other provisions of this Agreement or any other agreement, the Organizational Documents of any Covered Entity or by applicable law. In the event of any change after the date of this Agreement in any applicable law, statute or rule that expands the right of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, controlling person, agent or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule that narrows the right of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, controlling person, agent or fiduciary, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties rights and obligations hereunder except as set forth in **Section 9(a)** hereof.

(b) Non-exclusivity. The rights to indemnification, contribution and advancement of Expenses provided in this Agreement shall not be deemed exclusive of, but shall be in addition to, any other rights to which Indemnitee may at any time be entitled under the Organizational Documents of any Covered Entity, any other agreement, any vote of stockholders or Disinterested Directors, the laws of the State of Delaware or otherwise. Furthermore, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder or otherwise shall not prevent the concurrent assertion of any other right or remedy. The rights to indemnification, contribution and advancement of Expenses provided in this Agreement shall continue as to Indemnitee for any action Indemnitee took or did not take while serving in an indemnified capacity even though Indemnitee may have ceased to serve in such capacity.

6. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment of any amount otherwise indemnifiable hereunder, or for which advancement is provided hereunder, if and to the extent Indemnitee has otherwise actually received such payment, whether pursuant to any insurance policy, the Organizational Documents of any Covered Entity or otherwise.

7. Mutual Acknowledgment. Both the Company and Indemnitee acknowledge that, in certain instances, Federal law or public policy may override applicable state law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. For example, the Company and Indemnitee acknowledge that the SEC has taken the position that indemnification is not permissible for liabilities arising under certain Federal securities laws, and Federal legislation prohibits indemnification for certain violations of the

Employee Retirement Income Security Act of 1979, as amended. Indemnitee understands and acknowledges that the Company has undertaken, or may be required in the future to undertake, with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee, and any right to indemnification hereunder shall be subject to, and conditioned upon, any such required court determination.

8. Liability Insurance. The Company shall maintain liability insurance applicable to directors and officers of the Company and shall cause Indemnitee to be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's officers and directors (other than in the case of an independent director liability insurance policy if Indemnitee is not an independent or outside director). The Company shall advise Indemnitee as to the general terms of, and the amounts of coverage provide by, any liability insurance policy described in this **Section 8** and shall promptly notify Indemnitee if, at any time, any such insurance policy is terminated or expired without renewal or if the amount of coverage under any such insurance policy will be decreased.

9. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee:

(a) against any Losses or Expenses, or advance Expenses to Indemnitee, with respect to Claims initiated or brought voluntarily by Indemnitee, and not by way of defense (including, without limitation, affirmative defenses and counter-claims), except (i) Claims to establish or enforce a right to indemnification, contribution or advancement with respect to an Indemnification Event, whether under this Agreement, any other agreement or insurance policy, the Company's Organizational Documents of any Covered Entity, the laws of the State of Delaware or otherwise, or (ii) if the Company's board of directors has approved specifically the initiation or bringing of such Claim;

(b) against any Losses or Expenses, or advance Expenses to Indemnitee, with respect to Claims arising (i) with respect to an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or (ii) pursuant to Section 304 or 306 of the Sarbanes-Oxley Act of 2002, as amended, or any rule or regulation promulgated pursuant thereto; or

(c) if, and to the extent, that a court of competent jurisdiction renders a final, unappealable decision that such indemnification is not lawful.

10. Miscellaneous.

(a) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

(b) Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including with respect to the Company, any direct or indirect successor

by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company) and with respect to Indemnitee, his or her spouse, heirs, and personal and legal representatives. The Company shall require and cause any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. This Agreement shall continue in effect with respect to Claims relating to Indemnification Events regardless of whether Indemnitee continues to serve as a director, officer, employee, controlling person, agent or fiduciary of any Covered Entity.

(c) Notice. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar, nationally recognized overnight courier, freight prepaid, or (d) one (1) business day after the business day of delivery by confirmed facsimile transmission, if deliverable by facsimile transmission, with copy by other means permitted hereunder, and addressed, if to Indemnitee, to the Indemnitee's address or facsimile number (as applicable) as set forth beneath the Indemnitee's signature to this Agreement, or, if to the Company, at the address or facsimile number (as applicable) of its principal corporate offices (attention: Secretary), or at such other address or facsimile number (as applicable) as such party may designate to the other parties hereto.

(d) Enforceability. This Agreement is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(e) Consent to Jurisdiction. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction and venue of the courts of the State of Delaware for all purposes in connection with any Proceeding which arises out of or relates to this Agreement and agree that any Proceeding instituted under this Agreement shall be commenced, prosecuted and continued only in the courts of the State of Delaware.

(f) Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the extent manifested by the provision held invalid, illegal or unenforceable.

(g) Choice of Law. This Agreement shall be governed by and its provisions shall be construed and enforced in accordance with, the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

(h) Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

(i) Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in a writing signed by the parties to be bound thereby. Notice of same shall be provided to all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(j) No Construction as Employment Agreement. This Agreement is not an employment agreement between the Company and the Indemnitee and nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained or continue in the employ or service of any Covered Entity.

(k) Supersedes Previous Agreements. This Agreement supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof. All such prior agreements and understandings are hereby terminated and deemed of no further force or effect.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

TEMPEST THERAPEUTICS, INC.:

_____ a Delaware corporation

By: _____

Name: _____

Title: _____

INDEMNITEE:

TEMPEST THERAPEUTICS, INC.

7000 Shoreline Court, Suite 275
South San Francisco, California 94080

July 7, 2021

Via Email Only
SBRADY@TEMPESTTX.COMMr. Stephen R. Brady
Chief Executive Officer**RE: EXECUTIVE EMPLOYMENT AGREEMENT**

Dear Steve:

On behalf of Tempest Therapeutics, Inc. ("**Tempest**", or the "**Company**"), it is my pleasure to confirm the terms and conditions of your continued employment as Tempest's President and Chief Executive Officer, reporting to the Company's Board of Directors. During your employment with Tempest, you will devote substantially all of your professional efforts to the business of Tempest, except that you may engage in the business activities described on Appendix A of this employment agreement (this "**Agreement**"), and other activities that may be approved in advance by the Nominating and Governance Committee of the Company's Board of Directors (which together with the activities set forth on Appendix A may include one for-profit board membership(s)), in each case, so long as these activities do not interfere or conflict with your obligations to the Company. Your employment under the terms of this Agreement shall continue until it terminates in accordance with Section 5 below.

This Agreement supersedes, amends and restates in all respects all prior agreements and understandings between you and the Company regarding the subject matter herein, except as specifically stated herein. The date on which you sign this Agreement is referred to herein as the "**Effective Date**".

This Agreement is intended to summarize some of the terms and conditions of your employment.

1. Location. Your place of employment will be at Tempest's principal offices, currently located in South San Francisco, California.
2. Compensation.

a. *Base Salary*. Your annualized base salary rate as of the Effective Date is \$475,283, less standard deductions and withholding and payable bi-weekly in accordance with Tempest's regular payroll practices. Your salary shall be reviewed annually and may be adjusted in connection with any such review.

b. *Bonus Program*. You will be eligible for an annual target bonus of forty percent (40%) of your annual base salary, as determined by the Board in its sole discretion based upon, among other things, the achievement of pre-determined performance milestones. Any annual bonus, if earned, shall be paid no later than March 15th of the year immediately following the year to which the applicable annual bonus relates.

c. *Option Grants.* As of the Effective Date, you acknowledge that you have been granted options to purchase 250,000 of Tempest's common stock, vesting in accordance with the terms of the grant agreements therefor, and otherwise in accordance with this Agreement. The option grant is also subject to the terms of Tempest's equity incentive arrangements, including its customary Incentive Stock Option (ISO) Grant Agreement.

d. *Withholding.* Tempest shall withhold from any compensation or benefits payable to you by Tempest any federal, state and/or local income, employment and/or other similar taxes as may be required to be withheld pursuant to any applicable law or regulation.

3. Benefits.

a. *Other.* You will be eligible to participate in the benefits to be offered by Tempest on the same terms and conditions as it will make such benefits available to employees in positions similar to your position. The benefits are currently expected to include health insurance and such other benefits provided by similar companies of a similar stage, as approved by the Board.

b. *Expenses.* Tempest shall reimburse you for all reasonable expenses of the type authorized by Tempest and incurred by you in the performance of your duties under this Agreement, all in accordance with the Company's reimbursement policies.

As is the case of all employee benefits, such benefits will be governed by the terms and conditions of applicable Tempest plans or policies, which are subject to change or discontinuation at any time.

4. Severance.

a. *Definitions.* For purposes of this Agreement:

i. "**Accrued Benefits**" means: (i) any unpaid base salary for services rendered prior to the date of termination of employment; (ii) any earned but unpaid annual bonus for any completed fiscal year prior to the year in which termination of employment occurs; (iii) reimbursement of any unreimbursed business expenses incurred as of the date of termination of employment in accordance with Tempest's reimbursement policy, (iv) accrued but unused vacation (if applicable), earned through the date of termination of employment; and (v) all other payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant with or by Tempest or this Agreement.

ii. “**Cause**” means conduct involving one or more of the following by you: (i) your willful and continued failure or refusal to perform material, lawful duties required of you as an employee of the Company, which failure continues for, or is not permanently cured within, a period of 30 days after written notice given to you by Tempest, except in the case of your physical or mental illness; (ii) your gross negligence, willful misconduct or intentional misrepresentation in connection with the performance of your duties; (iii) the conviction of (x) a felony or (y) a misdemeanor involving moral turpitude, or fraud; (iv) the commission of an act of embezzlement or fraud; or (v) the material breach of any agreement between Tempest and you.

iii. “**Change in Control**” shall have the meaning set forth in the Company’s 2017 Equity Incentive Plan.

iv. “**Change in Control Period**” means the three (3) month period prior to, and twelve (12) month period following, a Change in Control.

v. “**Good Reason**” means, without your express written consent, (i) any reduction in your annual base salary other than a reduction which is proportional to general reductions affecting other senior executive officers of Tempest generally, (ii) a material diminution in your responsibilities, authority or duties, (iii) a material change in the geographic location at which you provide services to the Company, (iv) a material breach of this Agreement by the Company, (v) appointing an officer of the Company whose responsibilities, function, title, reports and reporting that would indicate that you are subordinate to such officer, (vi) no longer serving as an officer with a similar title or responsibilities at the “top-level” corporate entity following a Change in Control of the Company.

b. *Severance Benefits and Payment.*

i. *Generally.* If your employment with Tempest is terminated (x) by Tempest for any reason other than Cause, or (y) by you for Good Reason, Tempest will pay you (1) the Accrued Benefits; (2) subject to your compliance with Section 4(c) below, after the execution and delivery of the Separation Agreement and General Release in the form attached hereto as Appendix B (the “**Separation Agreement and General Release**”) and the expiration of any revocation period without the release being revoked, twelve (12) months’ base salary plus your annual bonus at 100% of target, prorated for the period of the bonus year you have completed at the time your employment terminates, less standard deductions, payable in bi-weekly installments in accordance with the Company’s regular payroll policies; and (3) if you elect to continue your health insurance coverage pursuant to your rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), following the termination of your employment, your monthly premium under COBRA on a monthly basis until the earlier of (x) twelve (12) months following the effective termination date, or (y) the date upon which you commence full-time employment (or employment that provides you with eligibility for healthcare benefits substantially comparable to those provided by Tempest). A termination of your employment by Tempest due to physical or mental illness which is not a Disability (as defined herein) shall be treated as an involuntary termination other than for Cause. The term “**Disability**” shall mean that you have not been able to materially engage in your duties and responsibilities by reason of any medically determinable physical or mental impairment for a period of not less than 120 consecutive days or not less than 180 days during any one-year period.

ii. *In connection with the Change in Control Period.* If your employment with Tempest is terminated (x) by Tempest for any reason other than Cause, or (y) by you for Good Reason during the Change in Control Period, Tempest will pay you (1) the Accrued Benefits; (2) subject to your compliance with Section 4(c) below, after the execution and delivery of the Separation Agreement and General Release and the expiration of any revocation period without the release being revoked, eighteen (18) months' base salary plus your annual bonus at one hundred fifty percent (150%) of target, less standard deductions, payable in a single lump sum on the 60th day following the termination of your employment; and (3) if you elect to continue your health insurance coverage pursuant to your rights under COBRA following the termination of your employment, your monthly premium under COBRA on a monthly basis until the earlier of (x) eighteen (18) months following the effective termination date, or (y) the date upon which you commence full-time employment (or employment that provides you with eligibility for healthcare benefits substantially comparable to those provided by Tempest). A termination of your employment by Tempest due to physical or mental illness which is not a Disability shall be treated as an involuntary termination other than for Cause.

c. *Eligibility for Severance.* Eligibility for receipt of the items in Section 4(b) above, shall be conditioned on your (i) returning to Tempest promptly upon termination of your employment all of its property, including confidential information and all electronically stored information, and (ii) signing and not revoking the Separation Agreement and General Release.

d. *Accrued Benefits.* The Accrued Benefits shall be paid to you (or your estate in the event of your death) upon termination of employment regardless of the circumstances giving rise to such termination.

5. At-Will Employment. Your employment with Tempest is at will, meaning it may be terminated by you or Tempest at any time, subject to Section 4 above, for any reason with or without Cause. You understand that this Agreement is not a contract for employment for a definite term.

6. Employee Proprietary Information and Inventions Agreement. Your Employee Proprietary Information and Inventions Agreement (the "*PIIA*") is attached hereto as Appendix B, and is incorporated herein by reference with respect to the matters set forth therein. In the event of a conflict between this Agreement and PIIA, this Agreement shall control.

7. No Inconsistent Obligations. By accepting this offer of employment, you represent and warrant to Tempest that you are under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations set forth in this Agreement or that would be violated by your employment by Tempest. You agree that you will not take any action on behalf of Tempest or cause Tempest to take any action that will violate any agreement that you have with a prior employer.

8. Delayed Commencement Date for Payments and Benefits.

a. The intent of the parties hereto is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively "*Code Section*")

409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith or exempt therefrom. If you notify Tempest (with specificity as to the reason therefor) that you believe that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause you to incur any additional tax or interest under Code Section 409A and Tempest concurs with such belief or Tempest independently makes such determination, Tempest shall, after consulting with you, reform such provision to try to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to you and Tempest of the applicable provision without violating the provisions of Code Section 409A.

b. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered “nonqualified deferred compensation” under Code Section 409A unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” Notwithstanding any provision to the contrary in this Agreement, no payments or benefits that are considered “nonqualified deferred compensation” under Code Section 409A to which you otherwise become entitled under this Agreement in connection with your termination of employment, shall be made or provided to you prior to the earlier of (i) the expiration of the 6 month period measured from the date of your “separation from service” with Tempest (as such term is defined in Code Section 409A) or (ii) the date of your death, if you are deemed at the time of such separation from service to be a “specified employee” under Code Section 409A and if, in the absence of such delay, the payments would be subject to additional tax under Code Section 409A. Upon the expiration of the applicable Code Section 409A(a)(2) deferral period, all payments and benefits deferred pursuant to this Section 8(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or reimbursed to you in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

c. For purposes of Code Section 409A, your right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (*e.g.*, “payment shall be made within 30 days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of Tempest. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Code Section 409A be subject to offset, counterclaim or recoupment by any other amount payable to you unless otherwise permitted by Code Section 409A.

d. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by Tempest or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

e. If under this Agreement an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii).

9. **280G.** In the event that the amount of any compensation, payment or distribution by Tempest or its affiliates to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the “**Aggregate Payments**”) would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which you become subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in you receiving a higher After Tax Amount (as defined below) than you would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (i) cash payments not subject to Section 409A of the Code; (ii) cash payments subject to Section 409A of the Code; (iii) equity-based payments and acceleration; and (iv) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treasury Regulation §1.280G-1, Q&A- 24(b) or (c). For purposes of this Section 9, the “**After Tax Amount**” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on you as a result of your receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to this Section 9 shall be made by a nationally recognized accounting firm or a firm specializing in Section 280G calculations selected by Tempest, which shall provide detailed supporting calculations both to Tempest and you. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by Tempest. Notwithstanding the foregoing, if (i) Tempest is not publicly traded prior to the occurrence of a change in control such that the private company exception pursuant to Q & A #7 of the regulations promulgated under Section 280G of the Code is applicable and (ii) you request that Tempest seek shareholder approval of the portion of any payments to be made to you which are parachute payments under Section 280G and exceed 2.99 times your “base amount” (as such term is defined in Section 280G) in order that, upon obtaining such approval, all of the payments will be exempt from the excise taxes imposed under Sections 280G and 4999 of the Code, Tempest shall use its reasonable best efforts to obtain such approval.

10. Miscellaneous.

a. This offer of employment is made subject to you having the legal right to work in the United States.

b. Your employment with Tempest is subject to all Company policies and procedures, and Tempest retains the right to change its policies or procedures at any time.

c. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

d. Neither this Agreement nor any of your rights or obligations hereunder shall be assignable by you. Tempest may assign this Agreement or any of its obligations hereunder to any subsidiary of Tempest, or to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of Tempest. This Agreement is intended to bind and inure to the benefit of and be enforceable to you and Tempest and Tempest's permitted successors and assigns.

e. 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 director as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

f. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without regard to the choice of law principles thereof.

[remainder of page intentionally left blank]

If the foregoing is acceptable, please indicate your agreement by signing below and returning the original signed Agreement (keeping a copy for your own records) to me on or before July 7, 2021. If you have any further questions or require additional information, please feel free to contact me.

Sincerely,

TEMPEST THERAPEUTICS, INC.

By: /s/ Thomas Dubensky
Thomas Dubensky
President

ACCEPTED AND AGREED:

/s/ Stephen R. Brady
Stephen R. Brady

Date: July 7, 2021

Appendices: Appendix A — Approved Activities
 Appendix B — Separation Agreement and General Release
 Appendix C — Confidentiality and Proprietary Rights Agreement

TEMPEST THERAPEUTICS, INC.
7000 Shoreline Court, Suite 275
South San Francisco, California 94080

July 7, 2021

Via Email Only

TDUBENSKY@TEMPESTTX.COM

Tom Dubensky, Ph.D.

RE: EXECUTIVE EMPLOYMENT AGREEMENT

Dear Tom:

On behalf of Tempest Therapeutics, Inc. (“*Tempest*”, or the “*Company*”), it is my pleasure to confirm the terms and conditions of your continued employment as Tempest’s President, reporting to the Company’s Chief Executive Officer (the “*CEO*”). During your employment with Tempest, you will devote substantially all of your professional efforts to the business of Tempest, except that you may engage in the business activities described on Appendix A of this employment agreement (this “*Agreement*”), and other activities that may be approved in advance by the Company’s Chief Executive Officer, with advice from the Board (which together with the activities set forth on Appendix A may include one for-profit board membership(s)), in each case, so long as these activities do not interfere or conflict with your obligations to the Company. Your employment under the terms of this Agreement shall continue until it terminates in accordance with Section 5 below.

This Agreement supersedes, amends and restates in all respects all prior agreements and understandings between you and the Company regarding the subject matter herein. The date on which you sign this Agreement is referred to herein as the “*Effective Date*”.

This Agreement is intended to summarize some of the terms and conditions of your employment.

1. Location. Your place of employment will be at Tempest’s principal offices, currently located in South San Francisco, California. You will be required to work from this location as reasonably determined by the Company in accordance with its “work from home,” and “work from office” policies, taking into account relevant factors of your responsibilities.

2. Compensation.

a. *Base Salary*. Your annualized base salary rate is \$475,283, less standard deductions and withholding and payable bi-weekly in accordance with Tempest’s regular payroll practices. Your salary shall be reviewed annually and may be adjusted in connection with any such review.

b. *Bonus Program.* You will be eligible for an annual target bonus of forty percent (40%) of your annual base salary, as determined by the Board in its sole discretion based upon, among other things, the achievement of pre-determined performance milestones. Any annual bonus, if earned, shall be paid no later than March 15th of the year immediately following the year to which the applicable annual bonus relates.

c. *Option Grants.* As of the Effective Date, you acknowledge that you have been granted options to purchase 250,000 of Tempest's common stock, vesting in accordance with the terms of the grant agreements therefor, and otherwise in accordance with this Agreement. The option grant is also subject to the terms of Tempest's equity incentive arrangements, including its customary Incentive Stock Option (ISO) Grant Agreement.

d. *Withholding.* Tempest shall withhold from any compensation or benefits payable to you by Tempest any federal, state and/or local income, employment and/or other similar taxes as may be required to be withheld pursuant to any applicable law or regulation.

3. Benefits.

a. *Other.* You will be eligible to participate in the benefits to be offered by Tempest on the same terms and conditions as it will make such benefits available to employees in positions similar to your position. The benefits are currently expected to include health insurance and such other benefits provided by similar companies of a similar stage, as approved by the Board.

b. *Expenses.* Tempest shall reimburse you for all reasonable expenses of the type authorized by Tempest and incurred by you in the performance of your duties under this Agreement, all in accordance with the Company's reimbursement policies.

As is the case of all employee benefits, such benefits will be governed by the terms and conditions of applicable Tempest plans or policies, which are subject to change or discontinuation at any time.

4. Severance.

a. *Definitions.* For purposes of this Agreement:

i. "**Accrued Benefits**" means: (i) any unpaid base salary for services rendered prior to the date of termination of employment; (ii) any earned but unpaid annual bonus for any completed fiscal year prior to the year in which termination of employment occurs; (iii) reimbursement of any unreimbursed business expenses incurred as of the date of termination of employment in accordance with Tempest's reimbursement policy, (iv) accrued but unused vacation (if applicable), earned through the date of termination of employment; and (v) all other payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant with or by Tempest or this Agreement.

ii. “**Cause**” means conduct involving one or more of the following by you: (i) failure to perform a substantial portion of your duties and responsibilities in accordance with the terms or requirements of this Agreement and your position, which failure continues for, or is not permanently cured within, a period of 30 days after written notice given to you by Tempest, except in the case of your physical or mental illness; (ii) disloyalty, gross negligence, willful misconduct, or dishonesty that materially injures Tempest or a breach of fiduciary duty to Tempest; (iii) the conviction of (x) a felony or (y) a misdemeanor involving moral turpitude, or fraud; (iv) the commission of an act of embezzlement or fraud; or (v) the material breach of any agreement between Tempest and you.

iii. “**Change in Control**” shall have the meaning set forth in the Company’s 2017 Equity Incentive Plan.

iv. “**Change in Control Period**” means the three (3) month period prior to, and twelve (12) month period following, a Change in Control.

v. “**Good Reason**” means, without your express written consent, (i) any reduction in your annual base salary other than a reduction which is proportional to general reductions affecting other senior executive officers of Tempest generally, or (ii) any material reduction in your title or scope of responsibilities without your consent (other than your removal from the Board).

b. *Severance Benefits and Payment.*

i. *Generally.* If your employment with Tempest is terminated (x) by Tempest for any reason other than Cause, or (y) by you for Good Reason, Tempest will pay you (1) the Accrued Benefits; (2) subject to your compliance with Section 4(c) below, after the execution and delivery of the Separation Agreement and General Release in the form attached hereto as Appendix B (the “**Separation Agreement and General Release**”) and the expiration of any revocation period without the release being revoked, nine (9) months’ base salary, plus a prorated portion of your bonus at target for the year of your termination, less standard deductions, payable in bi-weekly installments in accordance with the Company’s regular payroll policies; and (3) if you elect to continue your health insurance coverage pursuant to your rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), following the termination of your employment, your monthly premium under COBRA on a monthly basis until the earlier of (x) nine (9) months following the effective termination date, or (y) the date upon which you commence full-time employment (or employment that provides you with eligibility for healthcare benefits substantially comparable to those provided by Tempest). A termination of your employment by Tempest due to physical or mental illness which is not a Disability (as defined herein) shall be treated as an involuntary termination other than for Cause. The term “**Disability**” shall mean that you have not been able to materially engage in your duties and responsibilities by reason of any medically determinable physical or mental impairment for a period of not less than 120 consecutive days or not less than 180 days during any one-year period.

ii. *In connection with the Change in Control Period.* If your employment with Tempest is terminated (x) by Tempest for any reason other than Cause, or (y) by you for Good Reason during the Change in Control Period, Tempest will pay you (1) the Accrued Benefits; (2) subject to your compliance with Section 4(c) below, after the execution and delivery of the Separation Agreement and General Release and the expiration of any revocation period without the release being revoked, twelve (12) months' base salary plus your annual bonus at one hundred percent (100%) of target, less standard deductions, payable in a single lump sum on the 60th day following the termination of your employment; and (3) if you elect to continue your health insurance coverage pursuant to your rights under COBRA following the termination of your employment, your monthly premium under COBRA on a monthly basis until the earlier of (x) twelve (12) months following the effective termination date, or (y) the date upon which you commence full-time employment (or employment that provides you with eligibility for healthcare benefits substantially comparable to those provided by Tempest). A termination of your employment by Tempest due to physical or mental illness which is not a Disability shall be treated as an involuntary termination other than for Cause.

c. *Eligibility for Severance.* Eligibility for receipt of the items in Section 4(b) above, shall be conditioned on your (i) returning to Tempest promptly upon termination of your employment all of its property, including confidential information and all electronically stored information, and (ii) signing and not revoking the Separation Agreement and General Release.

d. *Accrued Benefits.* The Accrued Benefits shall be paid to you (or your estate in the event of your death) upon termination of employment regardless of the circumstances giving rise to such termination.

5. At-Will Employment. Your employment with Tempest is at will, meaning it may be terminated by you or Tempest at any time, subject to Section 4 above, for any reason with or without Cause. You understand that this Agreement is not a contract for employment for a definite term.

6. Confidentiality and Proprietary Rights Agreement. This offer of employment is subject to the Confidentiality and Proprietary Rights Agreement attached as Appendix C, which shall be effective as of the date set forth therein.

7. No Inconsistent Obligations. By accepting this offer of employment, you represent and warrant to Tempest that you are under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations set forth in this Agreement or that would be violated by your employment by Tempest. You agree that you will not take any action on behalf of Tempest or cause Tempest to take any action that will violate any agreement that you have with a prior employer.

8. Delayed Commencement Date for Payments and Benefits.

a. The intent of the parties hereto is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to

be in compliance therewith or exempt therefrom. If you notify Tempest (with specificity as to the reason therefor) that you believe that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause you to incur any additional tax or interest under Code Section 409A and Tempest concurs with such belief or Tempest independently makes such determination, Tempest shall, after consulting with you, reform such provision to try to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to you and Tempest of the applicable provision without violating the provisions of Code Section 409A.

b. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "nonqualified deferred compensation" under Code Section 409A unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding any provision to the contrary in this Agreement, no payments or benefits that are considered "nonqualified deferred compensation" under Code Section 409A to which you otherwise become entitled under this Agreement in connection with your termination of employment, shall be made or provided to you prior to the earlier of (i) the expiration of the 6 month period measured from the date of your "separation from service" with Tempest (as such term is defined in Code Section 409A) or (ii) the date of your death, if you are deemed at the time of such separation from service to be a "specified employee" under Code Section 409A and if, in the absence of such delay, the payments would be subject to additional tax under Code Section 409A. Upon the expiration of the applicable Code Section 409A(a)(2) deferral period, all payments and benefits deferred pursuant to this Section 8(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or reimbursed to you in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

c. For purposes of Code Section 409A, your right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (*e.g.*, "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of Tempest. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset, counterclaim or recoupment by any other amount payable to you unless otherwise permitted by Code Section 409A.

d. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by Tempest or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable,

but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

e. If under this Agreement an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii).

9. **280G.** In the event that the amount of any compensation, payment or distribution by Tempest or its affiliates to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the “**Aggregate Payments**”) would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which you become subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in you receiving a higher After Tax Amount (as defined below) than you would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (i) cash payments not subject to Section 409A of the Code; (ii) cash payments subject to Section 409A of the Code; (iii) equity-based payments and acceleration; and (iv) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treasury Regulation §1.280G-1, Q&A- 24(b) or (c). For purposes of this Section 9, the “**After Tax Amount**” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on you as a result of your receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to this Section 9 shall be made by a nationally recognized accounting firm or a firm specializing in Section 280G calculations selected by Tempest, which shall provide detailed supporting calculations both to Tempest and you. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by Tempest. Notwithstanding the foregoing, if (i) Tempest is not publicly traded prior to the occurrence of a change in control such that the private company exception pursuant to Q & A #7 of the regulations promulgated under Section 280G of the Code is applicable and (ii) you request that Tempest seek shareholder approval of the portion of any payments to be made to you which are parachute payments under Section 280G and exceed 2.99 times your “base amount” (as such term is defined in Section 280G) in order that, upon obtaining such approval, all of the payments will be exempt from the excise taxes imposed under Sections 280G and 4999 of the Code, Tempest shall use its reasonable best efforts to obtain such approval.

10. Miscellaneous.

a. This offer of employment is made subject to you having the legal right to work in the United States.

b. Your employment with Tempest is subject to all Company policies and procedures, and Tempest retains the right to change its policies or procedures at any time.

c. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

d. Neither this Agreement nor any of your rights or obligations hereunder shall be assignable by you. Tempest may assign this Agreement or any of its obligations hereunder to any subsidiary of Tempest, or to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of Tempest. This Agreement is intended to bind and inure to the benefit of and be enforceable to you and Tempest and Tempest's permitted successors and assigns.

e. 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 director as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

f. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without regard to the choice of law principles thereof.

[remainder of page intentionally left blank]

If the foregoing is acceptable, please indicate your agreement by signing below and returning the original signed Agreement (keeping a copy for your own records) to me on or before July 7, 2021. If you have any further questions or require additional information, please feel free to contact me.

Sincerely,

TEMPEST THERAPEUTICS, INC.

By: /s/ Stephen Brady
Stephen Brady
Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Tom Dubensky, Ph.D.
Tom Dubensky, Ph.D.

Date: July 7, 2021

Appendices: Appendix A — Approved Activities
 Appendix B — Separation Agreement and General Release
 Appendix C — Confidentiality and Proprietary Rights Agreement

TEMPEST THERAPEUTICS, INC.
7000 Shoreline Court, Suite 275
South San Francisco, California 94080

July 7, 2021

Via Email Only

SWHITING@TEMPESTTX.COM

Sam Whiting, M.D., Ph.D.

RE: EXECUTIVE EMPLOYMENT AGREEMENT

Dear Sam:

On behalf of Tempest Therapeutics, Inc. ("**Tempest**", or the "**Company**"), it is my pleasure to confirm the terms and conditions of your continued employment as Tempest's Chief Medical Officer, reporting to the Company's President and Chief Executive Officer (the "**CEO**"). During your employment with Tempest, you will devote substantially all of your professional efforts to the business of Tempest, except that you may engage in the business activities described on Appendix A of this employment agreement (this "**Agreement**"), and other activities that may be approved in advance by the Company's Chief Executive Officer, with advice from the Board (which together with the activities set forth on Appendix A may include one for-profit board membership(s)), in each case, so long as these activities do not interfere or conflict with your obligations to the Company. Your employment under the terms of this Agreement shall continue until it terminates in accordance with Section 5 below.

This Agreement supersedes, amends and restates in all respects all prior agreements and understandings between you and the Company regarding the subject matter herein. The date on which you sign this Agreement is referred to herein as the "**Effective Date**".

This Agreement is intended to summarize some of the terms and conditions of your employment.

1. Location. Your place of employment will be at Tempest's principal offices, currently located in South San Francisco, California. You will be required to work from this location as reasonably determined by the Company in accordance with its "work from home," and "work from office" policies, taking into account relevant factors of your responsibilities.

2. Compensation.

a. *Base Salary*. Your annualized base salary rate is \$400,000, less standard deductions and withholding and payable bi-weekly in accordance with Tempest's regular payroll practices. Your salary shall be reviewed annually and may be adjusted in connection with any such review.

b. *Bonus Program.* You will be eligible for an annual target bonus of thirty five percent (35%) of your annual base salary, as determined by the Board in its sole discretion based upon, among other things, the achievement of pre-determined performance milestones. Any annual bonus, if earned, shall be paid no later than March 15th of the year immediately following the year to which the applicable annual bonus relates.

c. *Withholding.* Tempest shall withhold from any compensation or benefits payable to you by Tempest any federal, state and/or local income, employment and/or other similar taxes as may be required to be withheld pursuant to any applicable law or regulation.

3. Benefits.

a. *Other.* You will be eligible to participate in the benefits to be offered by Tempest on the same terms and conditions as it will make such benefits available to employees in positions similar to your position. The benefits are currently expected to include health insurance and such other benefits provided by similar companies of a similar stage, as approved by the Board.

b. *Expenses.* Tempest shall reimburse you for all reasonable expenses of the type authorized by Tempest and incurred by you in the performance of your duties under this Agreement, all in accordance with the Company's reimbursement policies.

As is the case of all employee benefits, such benefits will be governed by the terms and conditions of applicable Tempest plans or policies, which are subject to change or discontinuation at any time.

4. Severance.

a. *Definitions.* For purposes of this Agreement:

i. "**Accrued Benefits**" means: (i) any unpaid base salary for services rendered prior to the date of termination of employment; (ii) any earned but unpaid annual bonus for any completed fiscal year prior to the year in which termination of employment occurs; (iii) reimbursement of any unreimbursed business expenses incurred as of the date of termination of employment in accordance with Tempest's reimbursement policy, (iv) accrued but unused vacation (if applicable), earned through the date of termination of employment; and (v) all other payments, benefits or fringe benefits to which you shall be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant with or by Tempest or this Agreement.

ii. "**Cause**" means conduct involving one or more of the following by you: (i) failure to perform a substantial portion of your duties and responsibilities in accordance with the terms or requirements of this Agreement and your position, which failure continues for, or is not permanently cured within, a period of 30 days after written notice given to you by Tempest, except in the case of your physical or mental illness; (ii) disloyalty, gross negligence, willful misconduct, or dishonesty that materially injures Tempest or a breach of fiduciary duty to Tempest; (iii) the conviction of (x) a felony or (y) a misdemeanor involving moral turpitude, or fraud; (iv) the commission of an act of embezzlement or fraud; or (v) the material breach of any agreement between Tempest and you.

iii. “**Change in Control**” shall have the meaning set forth in the Company’s 2017 Equity Incentive Plan.

iv. “**Change in Control Period**” means the three (3) month period prior to, and twelve (12) month period following, a Change in Control.

v. “**Good Reason**” means, without your express written consent, (i) any reduction in your annual base salary other than a reduction which is proportional to general reductions affecting other senior executive officers of Tempest generally, or (ii) any material reduction in your title or scope of responsibilities without your consent (other than your removal from the Board).

b. *Severance Benefits and Payment.*

i. *Generally.* If your employment with Tempest is terminated (x) by Tempest for any reason other than Cause, or (y) by you for Good Reason, Tempest will pay you (1) the Accrued Benefits; (2) subject to your compliance with Section 4(c) below, after the execution and delivery of the Separation Agreement and General Release in the form attached hereto as Appendix B (the “**Separation Agreement and General Release**”) and the expiration of any revocation period without the release being revoked, nine (9) months’ base salary, plus a prorated portion of your bonus at target for the year of your termination, less standard deductions, payable in bi-weekly installments in accordance with the Company’s regular payroll policies; and (3) if you elect to continue your health insurance coverage pursuant to your rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), following the termination of your employment, your monthly premium under COBRA on a monthly basis until the earlier of (x) nine (9) months following the effective termination date, or (y) the date upon which you commence full-time employment (or employment that provides you with eligibility for healthcare benefits substantially comparable to those provided by Tempest). A termination of your employment by Tempest due to physical or mental illness which is not a Disability (as defined herein) shall be treated as an involuntary termination other than for Cause. The term “**Disability**” shall mean that you have not been able to materially engage in your duties and responsibilities by reason of any medically determinable physical or mental impairment for a period of not less than 120 consecutive days or not less than 180 days during any one-year period.

ii. *In connection with the Change in Control Period.* If your employment with Tempest is terminated (x) by Tempest for any reason other than Cause, or (y) by you for Good Reason during the Change in Control Period, Tempest will pay you (1) the Accrued Benefits; (2) subject to your compliance with Section 4(c) below, after the execution and delivery of the Separation Agreement and General Release and the expiration of any revocation period without the release being revoked, twelve (12) months’ base salary plus your annual bonus at one hundred percent (100%) of target, less standard deductions, payable in a single lump sum on the 60th day following the termination of your employment; and (3) if you elect to continue your

health insurance coverage pursuant to your rights under COBRA following the termination of your employment, your monthly premium under COBRA on a monthly basis until the earlier of (x) twelve (12) months following the effective termination date, or (y) the date upon which you commence full-time employment (or employment that provides you with eligibility for healthcare benefits substantially comparable to those provided by Tempest). A termination of your employment by Tempest due to physical or mental illness which is not a Disability shall be treated as an involuntary termination other than for Cause.

c. *Eligibility for Severance.* Eligibility for receipt of the items in Section 4(b) above, shall be conditioned on your (i) returning to Tempest promptly upon termination of your employment all of its property, including confidential information and all electronically stored information, and (ii) signing and not revoking the Separation Agreement and General Release.

d. *Accrued Benefits.* The Accrued Benefits shall be paid to you (or your estate in the event of your death) upon termination of employment regardless of the circumstances giving rise to such termination.

5. At-Will Employment. Your employment with Tempest is at will, meaning it may be terminated by you or Tempest at any time, subject to Section 4 above, for any reason with or without Cause. You understand that this Agreement is not a contract for employment for a definite term.

6. Confidentiality and Proprietary Rights Agreement. This offer of employment is subject to the Confidentiality and Proprietary Rights Agreement attached as Appendix C, which shall be effective as of the date set forth therein.

7. No Inconsistent Obligations. By accepting this offer of employment, you represent and warrant to Tempest that you are under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations set forth in this Agreement or that would be violated by your employment by Tempest. You agree that you will not take any action on behalf of Tempest or cause Tempest to take any action that will violate any agreement that you have with a prior employer.

8. Delayed Commencement Date for Payments and Benefits.

a. The intent of the parties hereto is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith or exempt therefrom. If you notify Tempest (with specificity as to the reason therefor) that you believe that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause you to incur any additional tax or interest under Code Section 409A and Tempest concurs with such belief or Tempest independently makes such determination, Tempest shall, after consulting with you, reform such provision to try to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to you and Tempest of the applicable provision without violating the provisions of Code Section 409A.

b. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered “nonqualified deferred compensation” under Code Section 409A unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” Notwithstanding any provision to the contrary in this Agreement, no payments or benefits that are considered “nonqualified deferred compensation” under Code Section 409A to which you otherwise become entitled under this Agreement in connection with your termination of employment, shall be made or provided to you prior to the earlier of (i) the expiration of the 6 month period measured from the date of your “separation from service” with Tempest (as such term is defined in Code Section 409A) or (ii) the date of your death, if you are deemed at the time of such separation from service to be a “specified employee” under Code Section 409A and if, in the absence of such delay, the payments would be subject to additional tax under Code Section 409A. Upon the expiration of the applicable Code Section 409A(a)(2) deferral period, all payments and benefits deferred pursuant to this Section 8(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or reimbursed to you in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

c. For purposes of Code Section 409A, your right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (*e.g.*, “payment shall be made within 30 days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of Tempest. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Code Section 409A be subject to offset, counterclaim or recoupment by any other amount payable to you unless otherwise permitted by Code Section 409A.

d. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by Tempest or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

e. If under this Agreement an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii).

9. **280G.** In the event that the amount of any compensation, payment or distribution by Tempest or its affiliates to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the “**Aggregate Payments**”) would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which you become subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in you receiving a higher After Tax Amount (as defined below) than you would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (i) cash payments not subject to Section 409A of the Code; (ii) cash payments subject to Section 409A of the Code; (iii) equity-based payments and acceleration; and (iv) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treasury Regulation §1.280G-1, Q&A- 24(b) or (c). For purposes of this Section 9, the “**After Tax Amount**” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on you as a result of your receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to this Section 9 shall be made by a nationally recognized accounting firm or a firm specializing in Section 280G calculations selected by Tempest, which shall provide detailed supporting calculations both to Tempest and you. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by Tempest. Notwithstanding the foregoing, if (i) Tempest is not publicly traded prior to the occurrence of a change in control such that the private company exception pursuant to Q & A #7 of the regulations promulgated under Section 280G of the Code is applicable and (ii) you request that Tempest seek shareholder approval of the portion of any payments to be made to you which are parachute payments under Section 280G and exceed 2.99 times your “base amount” (as such term is defined in Section 280G) in order that, upon obtaining such approval, all of the payments will be exempt from the excise taxes imposed under Sections 280G and 4999 of the Code, Tempest shall use its reasonable best efforts to obtain such approval.

10. Miscellaneous.

a. This offer of employment is made subject to you having the legal right to work in the United States.

b. Your employment with Tempest is subject to all Company policies and procedures, and Tempest retains the right to change its policies or procedures at any time.

c. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

d. Neither this Agreement nor any of your rights or obligations hereunder shall be assignable by you. Tempest may assign this Agreement or any of its obligations hereunder to any subsidiary of Tempest, or to any successor (whether by merger, purchase or otherwise) to all or substantially all of the equity, assets or businesses of Tempest. This Agreement is intended to bind and inure to the benefit of and be enforceable to you and Tempest and Tempest's permitted successors and assigns.

e. 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 director as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

f. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without regard to the choice of law principles thereof.

[remainder of page intentionally left blank]

If the foregoing is acceptable, please indicate your agreement by signing below and returning the original signed Agreement (keeping a copy for your own records) to me on or before July 7, 2021. If you have any further questions or require additional information, please feel free to contact me.

Sincerely,

TEMPEST THERAPEUTICS, INC.

By: /s/ Stephen Brady
Stephen Brady
Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Sam Whiting, M.D., Ph.D.
Sam Whiting, M.D., Ph.D.

Date: July 7, 2021

Appendices: Appendix A — Approved Activities
 Appendix B — Separation Agreement and General Release
 Appendix C — Confidentiality and Proprietary Rights Agreement