

**TEMPEST THERAPEUTICS, INC.**

**CORPORATE GOVERNANCE GUIDELINES**

**(Adopted by the Board of Directors effective July 1, 2021)**

The Board of Directors of Tempest Therapeutics, Inc. (the “**Board**,” and such company, “**Tempest**” or the “**Company**”) has established the following Corporate Governance Guidelines (the “**Guidelines**”) for the conduct and operation of the Board. The Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making at the Board and management levels, with a view to enhancing stockholder value over the long term. The Guidelines also assure that the Board will have the necessary authority and practices in place to review and evaluate the Company’s business operations as needed and to make decisions that are independent of the Company’s management. The Guidelines are subject to modification from time to time as the Board deems necessary or advisable.

**Role of the Board**

Our stockholders select the Board to provide oversight of, and strategic guidance to, senior management. The Board is the ultimate decision-making authority within the Company, except with respect to those matters, including the election of directors, that are reserved for the Company’s stockholders. The core responsibility of a Board member is to fulfill his, her or their fiduciary duties of care and loyalty and otherwise to exercise his, her or their business judgment in the best interests of Tempest and our stockholders. Service on the Board requires significant time and attention on the part of directors. More specifically, the Board has responsibilities to review, approve and monitor fundamental financial and business strategies and major corporate actions, assess major risks facing Tempest and consider ways to address those risks, select and oversee management and determine its composition and oversee the establishment and maintenance of processes and conditions to maintain the integrity of Tempest. Directors must participate in Board meetings, review relevant materials, serve on committees and prepare for meetings and discussions with management. We expect directors to maintain an attitude of constructive involvement and oversight, to ask relevant, incisive and probing questions and to require honest and accurate answers. Directors must act with integrity and in good faith, and we expect them to demonstrate a commitment to Tempest, our values and our business and to long-term stockholder value.

**Board Composition and Selection**

Size of the Board

The Board shall establish the number of directors in accordance with the Company’s By-laws. The Board periodically reviews the appropriate size of the Board, which may vary to accommodate the availability of suitable candidates and our needs.

Independence of Directors

The Board will be composed of not less than a majority of independent directors, subject to any exceptions permitted by the applicable listing standards of the exchange upon which Tempest's stock is listed. In determining independence, the Board will consider the definition of independence set forth in such listing standards, as well as other factors that will contribute to effective oversight and decision-making by the Board. The Board shall determine on an annual basis whether each director qualifies as an "independent director" pursuant to applicable listing standards. Each independent director is expected to promptly disclose to the Board any existing or proposed relationships or transactions that could impact his or her independence.

### Board Leadership

The Board will determine its leadership structure in a manner that it determines to be in the best interests of the Company and its stockholders. The Board will conduct an annual assessment of its leadership structure to determine that the leadership structure is the most appropriate for the Company at the time. The Board anticipates that our Chief Executive Officer will serve on the Board. The Chairperson of the Board and Chief Executive Officer positions may be held by the same individual or separated as determined by the Board. The Board also anticipates that other members of our management, who can assist the Board in fulfilling its responsibilities based on their experience and role at Tempest, may serve on the Board as appropriate.

If the Chairperson of the Board is an independent director, the Chairperson will have the responsibilities as set forth below.

- preside at, and chair, Board meetings and meetings of stockholders;
- establish agendas for each Board meeting in consultation with the chairs of applicable committees of the Board;
- lead executive sessions of the Board;
- lead the Board in discussions concerning the CEO's performance and compensation, and CEO succession; and
- perform such other duties and responsibilities as requested by the Board.

If the Chairperson is not independent, it is expected that the Board will designate one of the independent directors as the Lead Independent Director. The Lead Independent Director will serve until replaced by the Board. The Lead Independent Director shall:

- serve as a liaison between the Chair of the Board and the independent directors;
- lead executive sessions of the Board;
- have authority to call meetings of the independent directors;
- lead the Board in discussions concerning the CEO's performance and compensation, and CEO succession;
- approve meeting agendas and meeting schedules for the Board;
- approve information sent to the Board;

- if requested by major stockholders, be available for consultation and direct communication; and
- perform such other duties and responsibilities as requested by the Board.

#### Selection of Director Candidates

The Board will be responsible for nominating members for election to the Board by our stockholders at the annual meeting of stockholders. The Board is also responsible for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, reviewing, evaluating and recommending to the Board candidates to serve as directors of Tempest, taking into consideration the needs of the Board and the qualifications of the candidates, in accordance with its charter and consistent with the criteria listed below. The Board, based on the recommendation of the Nominating and Corporate Governance Committee, will review each director's continuation on the Board in connection with the director's re-election. The Nominating and Corporate Governance Committee will consider recommendations for Board nominees from stockholders in the same manner as nominees identified by the committee.

#### Board Membership Criteria

The Board will determine the appropriate characteristics, skills and experience for the Board as a whole and for its individual members. The Board will consider the minimum general criteria set forth below, and may add any specific additional criteria with respect to specific searches, in selecting candidates and existing directors for service on the Board. An acceptable candidate may not fully satisfy all of the criteria, but is expected to satisfy nearly all of them. In considering candidates recommended by the Nominating and Corporate Governance Committee, the Board intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of Tempest, demonstrated excellence in his or her field, having the ability to exercise sound business judgment, be able to read and understand basic financial statements, having the highest personal integrity and ethics and having the commitment to rigorously represent the long-term interests of our stockholders. The Board reviews candidates for director nomination in the context of the current composition of the Board, the operating requirements of Tempest and the long-term interests of our stockholders. In conducting this assessment, the Board considers diversity, age, skills, and such other factors as it deems appropriate given the current needs of the Board and Tempest to maintain a balance of knowledge, experience and capability. In the case of incumbent directors whose terms of office are set to expire, the Board reviews such directors' overall service to Tempest during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Board also determines whether the nominee must be independent for purposes of the exchange upon which Tempest's stock is listed.

#### Term Limits; Retirement Age

The Board does not believe it should limit the number of terms for which an individual may serve as a director or have a mandatory retirement age. Directors who have served on the

Board for an extended period of time are able to provide continuity and valuable insight into Tempest, our operations and prospects based on their experience with, and understanding of, our history, policies and objectives. The Board believes that, as an alternative to term limits and retirement ages, it can ensure that the Board continues to evolve and adopt new ideas and viewpoints through the director nomination process described in these Guidelines.

### Limits on Board Memberships

The Company's Chief Executive Officer and all directors who also serve as executive officers of public companies should not serve on more than [one] other board of a public company in addition to the Company's Board and other directors should not serve on more than [four] other boards of public companies in addition to the Company's Board.<sup>1</sup> Directors should advise the Chairperson and the Chairperson of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board or committee of another company. The Board recognizes that a director's ability to fulfill his or her responsibilities as a member of the Board can be impaired if he or she serves on a large number of other boards or board committees. Service on boards and board committees of other companies should be consistent with our conflict-of-interest policies.

### Significant Change in Personal Circumstances

A director who retires from his or her present employment or who materially changes his or her other professional positions should notify the Chair Board and the Nominating and Corporate Governance Committee and offer his or her resignation from the Board, which resignation may be accepted or rejected by the Board in its sole discretion. The Board does not believe any director who retires from his or her present employment, or who materially changes his or her positions, should necessarily leave the Board; however, there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances.

A director shall also promptly notify the Chair of the Board and the Nominating and Corporate Governance Committee and offer his or her resignation from the Board, which resignation may be accepted or rejected by the Board in its sole discretion, in the event of any change or anticipated change in his or her affiliations, activities or professional or personal circumstances that (i) may create a conflict or potential conflict of interest, (ii) may result in the director engaging in significant political activity (such as participating in a visible leadership position in a political campaign, running for office or accepting an elected or appointed political office), (iii) has the potential to cause embarrassment, negative publicity or reputational harm to the Company or the director, and/or (iv) could result in a possible inconsistency with the Company's policies or values. The Nominating and Governance Committee shall then review the

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<sup>1</sup> ISS and Glass Lewis will recommend a vote against a director who serves on more than a total of five public company boards. For directors who are also CEOs, ISS will recommend a vote against a director who sits on more than two other public company boards. For directors who are also executive officers, Glass Lewis will recommend a vote against a director who sits on more than one other public company board. Institutional investors like BlackRock, State Street and Vanguard have similar policies that vary on specific attributes, but are trending toward a total limit of four boards.

appropriateness of that director's continued service on the Board in light of the new circumstances and make a recommendation to the Board as to whether the resignation should be accepted.

### **Director Orientation and Education**

The Nominating and Corporate Governance Committee may implement an orientation process for directors that includes background material on our policies and procedures, meetings with senior management and visits to our facilities. Tempest may offer continuing education programs to assist the directors in maintaining the level of expertise to perform his or her duties as a director. In addition, portions of certain Board meetings may be devoted to educational topics at which senior management and outside subject matter experts present information regarding matters such as the Company's industry, business operations, strategies, objectives, risks, opportunities, competitors and important legal and regulatory issues. The Company encourages directors to periodically pursue or obtain appropriate programs, sessions or materials and the Company will reimburse directors for reasonable expenses in accordance with Company policy.

### **Director Compensation**

The Board will determine the form and amount of director compensation for Board and committee service for non-management directors in accordance with applicable legal and regulatory guidelines. The Compensation Committee annually reviews and reports to the Board as to how the Company's director compensation practices compare with those of other comparable companies. The amount of compensation for non-management directors and committee members should be consistent with market practices of similarly situated companies. It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. Directors who are also members of management will receive no additional compensation for their service as directors. In determining compensation, the Board will consider the impact on the director's independence and objectivity.

### **Stock Ownership by Directors**

The Board believes that an ownership stake in the Company strengthens the alignment of interests between directors and stockholders. Accordingly, each director should own common stock (or equivalents) having a value of at least [three]<sup>2</sup> times the annual retainer fee, within [five years] of becoming a director, which shall be maintained through the director's term of service. In the event that the annual retainer fee is increased, directors will have [two years] to meet the new ownership guidelines. The Board will evaluate whether exceptions should be made for any director on whom these Guidelines would impose a financial hardship.

### **Board Meetings**

#### Number of Meetings

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<sup>2</sup> Item 402(b)(2)(xiii) of Regulation S-K requires disclosure of director stock ownership guidelines in the Compensation Discussion & Analysis portion of the proxy statement. For Governance QualityScore purposes, ISS considers it a best practice for directors to be subject to "robust" stock ownership guidelines requiring them to own shares of company common stock valued at least five-times the cash portion of the directors' base retainer, with three times retainer as standard.

All meetings of and other actions by the Board shall be held and taken pursuant to the By-laws of the Company, including provisions governing notice of meetings and waiver thereof, the number of directors required to take action at meetings or by written consent, and other related matters. The Board expects to have at least four regular meetings each year, with additional regular or special meetings being held as circumstances warrant as determined by the Chairperson of the Board, the Chief Executive Officer or the Board.

#### Attendance

We expect our Board members to attend all meetings of the Board and committees on which they serve. Directors must notify the Secretary of circumstances preventing attendance at a meeting. Each director is also expected to attend the Company's annual meeting of stockholders.

#### Advance Distribution of Materials; Preparation and Commitment

Information that is relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting should be distributed to the members of the Board sufficiently in advance of meetings to permit meaningful review. Advance information materials should generally be kept as concise as possible while giving directors sufficient information to make informed decisions. Board and committee members should review materials provided to them prior to Board and committee meetings and arrive at such meetings prepared to discuss the issues presented. Each director should ensure that other existing and planned future commitments do not materially interfere with the member's service as director.

#### Agenda

The Chairperson, together with the Lead Independent Director, will establish a schedule of subjects to be discussed during the year (to the extent this can be foreseen) and an agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda at any time and each Board member is free to raise subjects that are not on the agenda.

#### Executive Session

The independent directors of the Board will meet periodically in executive session but no less than two times per year or such greater number as required by the exchange upon which Tempest's stock is listed. Executive session discussions may include such topics as the independent directors determine. During these executive sessions, the independent directors shall have access to members of management and other guests as they may determine. The directors generally shall not take formal action at these sessions, but may make recommendations for consideration by the full Board.

#### Committee Reports

At each regular Board meeting, if practical, each committee that held a meeting subsequent to the last Board meeting and prior to the current Board meeting will present a brief summary of its committee meeting to the Board, including the principal subjects discussed and the conclusions and actions of the committee. In general, the Chairperson of the appropriate committee will present such report.

## **Board Committees**

### Number of Committees; Independence of Members

The committee structure of the Board will consist of at least (a) an Audit Committee, (b) a Compensation Committee and (c) a Nominating and Corporate Governance Committee. The Board may form, merge or dissolve committees as it deems appropriate from time to time. The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be composed entirely of independent directors, except to the extent allowed under the listing standards of the exchange upon which Tempest's stock is listed.

### Committee Functions and Charters

All standing committees will operate pursuant to a written charter, which sets forth the responsibilities of the committee and procedures that the committee will follow. Unless otherwise directed by the Board, new committees formed by the Board will develop a written charter delineating its responsibilities. The charters of all committees will be subject to periodic review and assessment by each committee and each committee shall recommend any proposed charter changes to the Board.

### Board Committee Membership

The Nominating and Corporate Governance Committee will recommend to the Board annually the chairpersonship and membership of each committee, and the Board is responsible for appointing committee chairs and committee members pursuant to such recommendations and subject to applicable laws and listing standards. In making such recommendations, the Nominating and Corporate Governance Committee shall consider the interests, independence and experience of the individual directors and the independence and experience requirements set forth in the listing standards of the exchange upon which Tempest's stock is listed, the rules and regulations of the Securities and Exchange Commission and applicable law. The Board considers the rotation of committee members and committee chairs from time to time and makes adjustments as it deems necessary or advisable.

### Committee Meetings and Agenda; Attendance at Committee Meetings

The committee chairperson, in consultation with committee members, will determine the frequency and length of the meetings of the committee, consistent with any requirements set forth in the committee's charter. The chairperson of each committee, in consultation with the appropriate members of the committee and management and the Lead Independent Director, will develop the committee's agenda. Materials related to agenda items shall be given to the committee members sufficiently in advance to allow the members to prepare for discussing the items at the meeting.

## **Board Access to Management; Use of Outside Advisors**

Board members have complete and open access to our management. We expect our Board members to use their judgment to ensure that this contact is not distracting or unduly disruptive to the operations of Tempest or to management's duties and responsibilities and that such contact, to

the extent reasonably practical or appropriate, will be coordinated with the Chief Executive Officer. Board members should copy the Chief Executive Officer on written communications to management whenever appropriate.

The Board and each committee shall have the power to hire, at the expense of Tempest, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of Tempest in advance. Any information requested from a third-party advisor by a director pursuant to this provision shall be made available to the full Board (or each member of the committee). As with all decisions, the Board and its committees will use their informed business judgment in retaining and providing oversight of outside advisors.

### **Board Interaction with Third Parties**

It is the policy of the Board that as a general matter management should speak for the Company. Each director will refer inquiries from investors, analysts, the press or other parties to the Chief Executive Officer, his, her, or their designee, or, as applicable, the head of investor relations. When management deems it appropriate, statements from the Board will be made by the Chairperson of the Board. If the Chairperson of the Board is an affiliated director or member of Company management, the Lead Independent Director generally speaks for the Board, although there may be circumstances when the Board designates another director to participate in and lead the communication effort. Individual directors will only speak with investors, analysts, the press or other parties about the Company if expressly authorized by the full Board and in accordance with the policies of the Company.

### **Stockholder Access to Directors**

It is the policy of the Board that stockholders shall have reasonable access to directors at annual meetings of stockholders and an opportunity to communicate directly with directors on appropriate matters. The Board will generally respond, or cause the Company to respond, in writing to bona fide communications from stockholders addressed to one or more members of the Board.

### **Chief Executive Officer Evaluation; Succession Planning**

The Compensation Committee shall conduct an annual review of the Chief Executive Officer's performance. The performance evaluation will be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and the development of management. The results of this review are communicated to the Chief Executive Officer. The Compensation Committee and Board will use the evaluation in the course of their deliberations when considering the compensation of the Chief Executive Officer.

The Nominating and Corporate Governance Committee should develop and periodically review with the Chief Executive Officer the Company's plan with respect to executive officers succession and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions, as well as to develop plans for interim or emergency succession for the Chief Executive Officer and other senior executive officers in the event of retirement or an unexpected occurrence. Management succession planning may be reviewed more frequently by the Board as it deems warranted. The Chief Executive Officer should at all times



make available his, her or their recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

### **Board Assessment**

The Nominating and Corporate Governance Committee shall annually review, discuss and assess the performance of the Board, including Board committees, seeking input from the full Board and others as deemed appropriate. The Nominating and Corporate Governance Committee shall also consider and assess the independence of directors. The Nominating and Corporate Governance Committee should provide the results of these evaluations to the Board and the Board should discuss each evaluation to determine what, if any, actions should be taken to improve the effectiveness of the Board or any committee thereof.

### **Confidentiality**

The proper functioning of the Board requires a candid and open exchange of information, ideas and opinions among directors in an atmosphere of trust, confidence and mutual respect. Directors have an affirmative duty to protect and hold confidential all non-public information obtained in the role of a Board or committee member. Accordingly:

- no director shall use Confidential Information (as defined below) for his or her own personal benefit or to benefit persons or entities outside the Company; and
- no director shall disclose Confidential Information to any person or entity outside the Company, either during or after his or her service as a director of the Company, except with express prior authorization of the Company's Compliance Officer or the Chairperson of the Board or as may be otherwise required by law (in which event a director shall promptly advise the Company's Compliance Officer and the Chairperson of the Board of such anticipated disclosure and take all reasonable steps to minimize the disclosure of such Confidential Information). In considering whether to permit a director to share Confidential Information, the Company's Compliance Officer or Chairperson of the Board may consider, among other things, whether sharing the information would give rise to a conflict and/or potential harm, including whether the information is protected by attorney-client privilege.

For purposes of these Guidelines, "Confidential Information" is all non-public information (whether or not material to the Company) entrusted to or obtained by a director by reason of his or her position as a director of the Company, and the term "Compliance Officer" refers to the Company's Chief Legal Officer, if such position is filled, or otherwise refers to the Chief Financial Officer (or person serving in similar role).

## **Review of Governance Guidelines**

The Nominating and Corporate Governance Committee will periodically review and assess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.