



## **Terns Pharmaceuticals Reports Inducement Grants to New Chief Executive Officer Under Nasdaq Listing Rule 5635(C)(4)**

February 7, 2024

FOSTER CITY, Calif., Feb. 07, 2024 (GLOBE NEWSWIRE) -- Terns Pharmaceuticals, Inc. ("Terns" or the "Company") (Nasdaq: TERN), a clinical-stage biopharmaceutical company developing a portfolio of small-molecule product candidates to address serious diseases, including oncology and obesity, today announced that it has granted effective as of March 1, 2024 equity inducement awards to Amy Burroughs, the Company's new Chief Executive Officer, under the terms of the 2022 Employment Inducement Award Plan, as amended (the "Inducement Plan"). The equity awards were approved by the Company's Board of Directors in accordance with Nasdaq Listing Rule 5635(c)(4) and were made as a material inducement to the employee's acceptance of employment with Terns.

The Company approved the grant of an option to Ms. Burroughs to purchase 1,250,000 shares of Terns common stock and a restricted stock unit award representing the right to receive 150,000 shares of Terns common stock.

The option will have a 10-year term and an exercise price per share equal to the closing price of Terns common stock on March 1, 2024, the effective date of grant. The option vests over four years, with 25% of the shares underlying the award vesting on the first anniversary of the effective date of grant and the remaining 75% of the shares underlying the award vesting monthly over the subsequent three-year period, subject to continued service through the applicable vesting dates.

The restricted stock units will have a four-year term and vest based on the achievement of milestones stock prices with respect to Terns common stock, subject to Ms. Burroughs' continued employment through the applicable vesting milestones. The restricted stock unit award vests as to 50% of the shares underlying the award if the average closing price of Terns common stock over 30 consecutive trading days equals or exceeds \$15.00 per share and as to the remaining 50% of the shares underlying the award if the average closing price of Terns common stock over 30 consecutive trading days equals or exceeds \$20.00 per share; provided that vesting shall not be deemed to occur earlier than the first anniversary of Ms. Burroughs' first day of employment and that vesting must be achieved on or before the fourth anniversary of the first day of employment. Notwithstanding the foregoing, in the event of an involuntary termination of the employment of Ms. Burroughs prior to such first anniversary, and if either or both of the milestone stock prices has been achieved by the date of the involuntary termination, the restricted stock units will vest based on that achievement effective as of the termination date and further, if at any time Terns is subject to a change in control in which the price per share payable in respect of Terns common stock in that transaction is equal to or greater than a milestone stock price, the restricted stock units that can be earned based on that milestone stock price will vest immediately prior to the closing of the change in control.

### **About Terns Pharmaceuticals**

Terns Pharmaceuticals, Inc. is a clinical-stage biopharmaceutical company developing a portfolio of small-molecule product candidates to address serious diseases, including oncology and obesity. Terns' pipeline includes three clinical-stage development programs including an allosteric BCR-ABL inhibitor, a small-molecule GLP-1 receptor agonist, a THR- $\beta$  agonist and preclinical GIPR modulator programs. For more information, please visit: [www.ternspharma.com](http://www.ternspharma.com).

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