

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 23, 2024

Terns Pharmaceuticals, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39926
(Commission File Number)

98-1448275
(IRS Employer
Identification No.)

1065 East Hillsdale Blvd.
Suite 100
Foster City, California
(Address of Principal Executive Offices)

94404
(Zip Code)

Registrant's Telephone Number, Including Area Code: (650) 525-5535

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:

- 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	TERN	Nasdaq Global Select 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.

Executive Leadership Transition

Mark Vignola

On July 23, 2024, Terns Pharmaceuticals, Inc. (the “Company”), Terns, Inc., a wholly-owned subsidiary of the Company (the “Subsidiary”), and Mark Vignola, Ph.D., the Company’s Chief Financial Officer, entered into a letter agreement (the “Vignola Transition Agreement”) related to the anticipated transition, separation and resignation of Dr. Vignola and release of claims. The Vignola Transition Agreement provides for Dr. Vignola’s continued service as Chief Financial Officer for a transition period until the date of his separation from employment (the “Vignola Separation Date”), anticipated to be February 1, 2025. Dr. Vignola has agreed to deliver such necessary resignations or written confirmations of changes in title and employment as the Company may request. During the period through the Vignola Separation Date, in addition to fulfilling his duties as Chief Financial Officer, Dr. Vignola will attend to the transition of his job duties in cooperation with the Company.

Pursuant to the Vignola Transition Agreement, Dr. Vignola is entitled to receive severance in the amount of \$475,000, equivalent to 12 months of his annual base salary, less applicable payroll withholdings, payable on a pro rata payroll basis following the Vignola Separation Date. The Vignola Transition Agreement also provides for the payment following the Vignola Separation Date of Dr. Vignola’s target annual bonus for 2024 and a pro rata portion of Dr. Vignola’s target annual bonus for 2025 based on the Vignola Separation Date, in each case with the target bonus being equivalent to 40% of Dr. Vignola’s annual base salary. In addition, subject to timely election by Dr. Vignola, the Vignola Transition Agreement provides for COBRA reimbursement by the Company as set forth in his Amended and Restated Employment Agreement, dated as of November 14, 2023 (the “Vignola Employment Agreement”), for up to 12 months following the Vignola Separation Date. Further, the Vignola Transition Agreement provides that the time for Dr. Vignola to exercise any outstanding equity award that is vested as of the Vignola Separation Date shall continue to and include the end of the 12th month following the Vignola Separation Date. The Company has agreed to pay up to \$10,000 in attorney’s fees for Dr. Vignola in relation to the preparation of the Vignola Transition Agreement. The foregoing payments and benefits are made subject to Dr. Vignola’s compliance with the Vignola Transition Agreement and the release of claims and applicable restrictive covenants therein and execution by Dr. Vignola of a supplemental release of claims as of the Vignola Separation Date.

Dr. Vignola will also be entitled to receive the balance of his retention bonus as provided in the Vignola Employment Agreement, in the amount of \$452,250, less applicable payroll withholdings, on the first payroll date after August 2, 2024. In addition, under the Vignola Transition Agreement, the Company has agreed to pay Dr. Vignola an additional retention bonus in the amount of \$500,000, provided Dr. Vignola remains employed until February 1, 2025, with such additional retention bonus being payable in a pro rata amount if Dr. Vignola resigns for Good Reason or is terminated without Cause pursuant to the Vignola Employment Agreement, or due to his death or disability, between the period from August 2, 2024 to February 1, 2025.

The Vignola Transition Agreement contains customary non-disclosure and mutual non-disparagement obligations. The foregoing description of the Vignola Transition Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Transition Agreement.

Bryan Yoon

On July 23, 2024, the Company, the Subsidiary and Bryan Yoon entered into a letter agreement (the “Yoon Separation Agreement”) related to the anticipated transition, separation and resignation of Mr. Yoon and release of claims. Effective upon the execution of the Yoon Separation Agreement, Mr. Yoon has assumed the title of Chief Operating Officer and Special Counsel and has ceased to serve as General Counsel and Secretary of the Company. The Yoon Separation Agreement provides for Mr. Yoon’s continued service as Chief Operating Officer and Special Counsel for a transition period until September 3, 2024 (the “Yoon Separation Date”). Mr. Yoon’s employment will terminate and he will cease to hold any positions with the Company as of the Yoon Separation Date. Mr. Yoon has agreed to deliver such resignations or written confirmations of changes in titles and employment as the Company may request. During the period through the Yoon Separation Date, as Chief Operating Officer and Special Counsel, Mr. Yoon will attend to the transition of his job duties in cooperation with the Company.

Pursuant to the Yoon Separation Agreement, Mr. Yoon is entitled to receive severance in the amount of \$490,700, equivalent to 12 months of his annual base salary, less applicable payroll withholdings, payable on a pro rata payroll basis following the Yoon Separation Date. Mr. Yoon will also be entitled to receive the balance of his retention bonus as provided in his Amended and Restated Employment Agreement, dated as of November 14, 2023 (the “Yoon Employment Agreement”), in the amount of \$301,500, less applicable payroll withholdings, on the first payroll date after August 1, 2024. The Yoon Separation Agreement also provides for the payment following the Yoon Separation Date of a pro rata portion of Mr. Yoon’s target annual bonus for 2024 (equivalent to 40% of Mr. Yoon’s annual base salary) based on the Yoon Separation Date. In addition, subject to timely election by Mr. Yoon, the Yoon Separation Agreement provides for COBRA reimbursement by the Company as set forth in the Yoon Employment Agreement for up to 12 months following the Yoon Separation Date. Further, the Yoon Separation Agreement provides that the time for Mr. Yoon to exercise any outstanding equity award that is vested as of the Yoon Separation Date shall continue to and include April 30, 2025. The foregoing payments and benefits are made subject to Mr. Yoon’s compliance with the Yoon Separation Agreement and the release of claims and applicable restrictive covenants therein and execution by Mr. Yoon of a supplemental release of claims as of the Yoon Separation Date. The Yoon Separation Agreement contains customary non-disclosure and mutual non-disparagement obligations. The foregoing description of the Yoon Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Yoon Separation Agreement.

Item 7.01 Regulation FD Disclosure.

On July 29, 2024, the Company issued a press release announcing the appointment of Elona Kogan as Chief Legal Officer, the anticipated transition and separation of Dr. Vignola and Mr. Yoon and a search for a new Chief Financial Officer. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

The information contained in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
No.**

Description

99.1	Press Release issued by Terns Pharmaceuticals, Inc. on July 29, 2024.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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.

TERNS PHARMACEUTICALS, INC.

Date: July 29, 2024

By: /s/ Amy Burroughs

Amy Burroughs
Chief Executive Officer



Terns Pharmaceuticals Appoints Biotech Executive Elona Kogan as Chief Legal Officer and Announces Upcoming CFO Transition

FOSTER CITY, Calif., July 29, 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 the appointment of Elona Kogan, Esq., as chief legal officer, effective immediately. Ms. Kogan brings a wealth of industry experience and has successfully guided several biotechnology companies through transformational growth and transactions.

"Elona's proven leadership and deep industry knowledge make her an ideal addition to the Terns team," said Amy Burroughs, chief executive officer of Terns. "As we advance our pipeline and execute on our strategic priorities, her expertise will be instrumental in driving our growth and success."

"I am thrilled to join Terns at this exciting time," said Ms. Kogan. "The company's commitment to developing life-changing therapies aligns perfectly with my passion for the industry and working with a highly motivated and accomplished team."

Ms. Kogan joins Terns with a distinguished career spanning over 20 years in the life sciences sector. Previously, she served as chief legal officer at Seer, Inc., where she played a pivotal role in the company's IPO and commercialization. She has also held leadership positions at ARIAD Pharmaceuticals, Avanir Pharmaceuticals, and King Pharmaceuticals. Ms. Kogan's full biography can be viewed on the Terns website.

Bryan Yoon, Esq., chief operating officer, will remain with the company through September 3, 2024 as part of the transition.

In addition, the Company announces that Mark Vignola, Ph.D., chief financial officer, will leave in a planned transition following the appointment of a new chief financial officer. A search is underway, and Dr. Vignola will continue to serve as CFO through the end of January 2025, or until a successor is found.

"On behalf of the Terns' team and Board, I thank Bryan and Mark for their many contributions to the Company's growth and development as they have both been integral to Terns' success to date," said Ms. Burroughs. "I want to express my personal appreciation to Mark and Bryan for their support throughout my transition as the new CEO during this period of tremendous opportunity at the company. They leave Terns in strong hands with an experienced leadership team committed to advancing the important work they began."

"I am extremely proud of what we have accomplished at Terns. In recent months, it has been important to me to fully support the onboarding of our new leadership during this exciting time in the company's development," stated Dr. Vignola. "I believe now is the right time for me to help transition my successor and subsequently depart from Terns, confident the Company is in a strong position to continue to advance our pipeline with a committed, experienced team and CEO in place. I look forward to continuing to support this team and the company as we advance towards multiple important data readouts from our pipeline in the coming months."

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- β agonist, and a preclinical GIPR modulator program. For more information, please visit: www.ternspharma.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements about the Company within the meaning of the federal securities laws, including those related to expectations, timing and potential results of the clinical trials and other development activities of the Company and its partners; the potential indications to be targeted by the Company with its small-molecule product candidates; the therapeutic potential of the Company's small-molecule product candidates; the potential for the mechanisms of action of the Company's product candidates to be therapeutic targets for their targeted indications; the Company's expectations regarding the profile of its product candidates, including efficacy, tolerability, safety, metabolic stability and pharmacokinetic profile and potential differentiation as compared to other products or product candidates; the Company's plans and expectations around the addition of key personnel; and the Company's expectations with regard to its cash runway and sufficiency of its cash resources. All statements other than statements of historical facts contained in this press release, including statements regarding the Company's strategy, future financial condition, future operations, future trial results, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "positioned," "potential," "predict," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. The Company has based these forward-looking statements largely on its current expectations, estimates, forecasts and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. These statements are subject to risks and uncertainties that could cause the actual results and the implementation of the Company's plans to vary materially, including the risks associated with the initiation, cost, timing, progress, results and utility of the Company's current and future research and development activities and preclinical studies and clinical trials. These risks are not exhaustive. For a detailed discussion of the risk factors that could affect the Company's actual results, please refer to the risk factors identified in the Company's SEC reports, including but not limited to its Annual Report on Form 10-K for the year ended December 31, 2023. Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason.

Contacts for Terns

Investors

Justin Ng
investors@ternspharma.com

Media

Jenna Urban
Berry & Company Public Relations
media@ternspharma.com
