

**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): September 28, 2021

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.

Appointment of Ann E. Taylor to the Board of Directors

On September 28, 2021, the Board of Directors (the “Board”) of Terns Pharmaceuticals, Inc. (the “Company”) appointed Ann E. Taylor, M.D. to serve as a Class I director until her successor is duly elected and qualified or until her earlier death, resignation or removal.

There is no arrangement or understanding between Dr. Taylor and any other person pursuant to which she was appointed as a director of the Company, and there are no family relationships between Dr. Taylor and any of the Company’s directors or executive officers. There are no transactions to which the Company is a party and in which Dr. Taylor has a direct or indirect material interest that would be required to be disclosed under Item 404(a) of Regulation S-K.

Dr. Taylor will be eligible to participate in the Company’s amended and restated compensation program for the Company’s non-employee directors (the “Director Compensation Program”). The Director Compensation Program provides for cash compensation as follows:

- Each non-employee director will receive an annual cash retainer in the amount of \$40,000 per year.
- The non-executive chair will receive an additional annual cash retainer in the amount of \$30,000 per year.
- The chairperson of the audit committee will receive additional annual cash compensation in the amount of \$15,000 per year for such chairperson’s service on the audit committee. Each non-chairperson member of the audit committee will receive additional annual cash compensation in the amount of \$7,500 per year for such member’s service on the audit committee.
- The chairperson of the compensation committee will receive additional annual cash compensation in the amount of \$10,000 per year for such chairperson’s service on the compensation committee. Each non-chairperson member of the compensation committee will receive additional annual cash compensation in the amount of \$5,000 per year for such member’s service on the compensation committee.
- The chairperson of the nominating and corporate governance committee will receive additional annual cash compensation in the amount of \$8,000 per year for such chairperson’s service on the nominating and corporate governance committee. Each non-chairperson member of the nominating and corporate governance committee will receive additional annual cash compensation in the amount of \$4,000 per year for such member’s service on the nominating and corporate governance committee.

In addition, the Director Compensation Programs provides that each non-employee director will automatically be granted an option to purchase 44,000 shares of common stock upon the director’s initial appointment or election to the Board (the “Initial Grant”). Each non-employee director who has served for at least six months will be granted an option to purchase 22,000 shares of common stock automatically on the date of each annual stockholder’s meeting thereafter (the “Annual Grant”). The Initial Grant will vest as to 1/3rd of the total shares subject thereto on the first anniversary of the applicable date of grant and as to 1/36th of the total shares subject thereto on each monthly anniversary of the applicable date of grant over the next 24 months thereafter, subject to continued service through each applicable vesting date. The Annual Grant will vest on the earlier of the first anniversary of the date of grant or the date of the next annual stockholder’s meeting to the extent unvested as of such date, subject to continued service through each applicable vesting date. Each Initial Grant and Annual Grant will vest in full in the event of a change in control.

Item 7.01 Regulation FD Disclosure.

On September 28, 2021, the Company announced the appointment of Dr. Taylor to the Board. A copy of this 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 September 28, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 thereunto duly authorized.

TERNS PHARMACEUTICALS, INC.

Date: September 28, 2021

By: /s/ Bryan Yoon

Bryan Yoon

Chief Operating Officer & General Counsel

Terns Appoints Veteran Biopharmaceutical Executive Ann E. Taylor, M.D. to Board of Directors

FOSTER CITY, Calif., Sept. 28, 2021 (GLOBE NEWSWIRE) – Terns Pharmaceuticals, Inc. (“Terns” or the “Company”) (Nasdaq: TERN), a clinical-stage biopharmaceutical company developing a portfolio of small-molecule single-agent and combination therapy candidates for the treatment of non-alcoholic steatohepatitis (NASH) and other chronic liver diseases, today announced the appointment of Ann E. Taylor, M.D., to the Company’s Board of Directors. Dr. Taylor previously served as the Chief Medical Officer of AstraZeneca plc and brings to the Terns Board of Directors more than 35 years of experience in drug development.

“NASH remains an area of significant unmet need and I believe Terns’ approach, which seeks to combine best-in-class molecules with clinically validated mechanisms in NASH, will play a significant part in the treatment of NASH patients,” said Dr. Taylor. “I am proud to join this strong and diverse team and look forward to working with the rest of the board and the management team in developing truly transformative medicines.”

“We are excited to have Ann join our board of directors and to have access to her drug development expertise and network,” said Senthil Sundaram, Chief Executive Officer of Terns. “Ann is a seasoned drug development veteran who has a wealth of experience in bringing treatments to patients across a broad spectrum of challenging areas. The board and I look forward to Ann’s contributions to Terns as we generate meaningful clinical data over the coming months and years.”

Dr. Taylor served as the Chief Medical Officer of AstraZeneca until her retirement in August 2021. Her broad-based leadership experience includes clinical development, portfolio strategy, regulatory strategy, biomarker strategy, patient safety and quality assurance across AstraZeneca’s entire portfolio. Prior to becoming Chief Medical Officer, from April 2018 to March 2019, Dr. Taylor was the Head of Clinical Biologics at MedImmune, a wholly owned subsidiary of AstraZeneca. Prior to AstraZeneca, Dr. Taylor held various leadership roles at Novartis Institute for BioMedical Research (Global Head of Portfolio Management, Interim Head of Cardiovascular and Metabolic Disease Area, Global Head of Translational Medicine for Metabolism) and Pfizer (Portfolio Lead for Obesity, Frailty and Cardiovascular and Metabolic Disease Franchise). Dr. Taylor also serves on the board of directors of Unlearn.AI, a company seeking to accelerate clinical development through the use of artificial intelligence. She has authored and co-authored numerous peer-reviewed publications and served on the editorial board of several peer-reviewed journals. Dr. Taylor is a Board-certified endocrinologist and received her M.D. from Harvard Medical School. She received her B.A. in biology magna cum laude from the University of California, San Diego.

About Terns Pharmaceuticals

Terns Pharmaceuticals, Inc. is a clinical-stage biopharmaceutical company developing a portfolio of small-molecule single-agent and combination therapy candidates for the treatment of non-alcoholic steatohepatitis, or NASH, and other chronic liver diseases. Terns’ pipeline includes three clinical stage development programs including an FXR agonist, a VAP-1 inhibitor and a THR- β agonist, and a preclinical GLP-1 receptor agonist program. Terns is focused on developing combination therapies based on clinically validated and complementary mechanisms of action to address the multiple hepatic disease processes of NASH in order to drive meaningful clinical benefits for patients. For more information, please visit: www.ternspharma.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements about Terns Pharmaceuticals, Inc. (the “Company,” “we,” “us,” or “our”) within the meaning of the federal securities laws, including those related to the Company’s expectations of timing and potential results of the Company’s clinical trials and other development activities; the potential utility and progress of the Company’s product candidates in NASH and other therapeutic areas; the Company’s clinical development plans and activities; the Company’s expectations regarding the profile of its product candidates, including tolerability, safety, metabolic stability and pharmacokinetic profile; and the Company’s ability to continue to execute on its clinical strategy and plans. 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 and results of the Company’s current and future research and development activities and preclinical studies and clinical trials. In particular, the impact of the COVID-19 pandemic on the Company’s ability to progress with its research, development, manufacturing and regulatory efforts, including the Company’s clinical trials for its product candidates, will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in the United States and in other countries, and the effectiveness of actions taken globally to contain and treat the disease. 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, 2020 and its Quarterly Reports on Form 10-Q for the periods ended March 31, 2021 and June 30, 2021. Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason.

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