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**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**

September 26, 2019

Date of Report (Date of earliest event reported)

**Bicycle Therapeutics plc**

(Exact name of registrant as specified in its charter)

**England and Wales**  
(State or other jurisdiction  
of incorporation)

**001-38916**  
(Commission  
File Number)

**Not applicable**  
(IRS Employer  
Identification No.)

**B900, Babraham Research Campus  
Cambridge CB22 3AT  
United Kingdom**  
(Address of principal executive offices)

**Not Applicable**  
(Zip Code)

Registrant's telephone number, including area code: **+44 1223 261503**

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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Ordinary shares, nominal value £0.01 per share	n/a	The Nasdaq Stock Market LLC*
American Depositary Shares, each representing one ordinary share, nominal value £0.01 per share	BCYC	The Nasdaq Stock Market LLC

\* Not for trading, but only in connection with the listing of the American Depositary Shares on The Nasdaq Stock Market LLC.

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.

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

***Amended and Restated Executive Employment Agreement — Kevin Lee***

On September 26, 2019, BicycleTx Ltd. (“BicycleTx”), a wholly owned subsidiary of Bicycle Therapeutics plc (the “Company”), entered into an amended and restated service agreement with Kevin Lee, BicycleTx’s Chief Executive Officer. Pursuant to the service agreement between BicycleTx and Kevin Lee (the “Lee Agreement”), Dr. Lee currently receives an annual base salary of \$575,000 and reports to the Company’s Board of Directors (the “Board”). Dr. Lee was previously granted a retention bonus of £150,000, which must be repaid if Dr. Lee provides notice to terminate his employment at any time prior to August 1, 2020. Dr. Lee is eligible for an annual performance bonus of up to fifty percent (50%) of his salary, which may be paid in cash, in whole or in part, or options to purchase the Company’s ordinary shares, based on the achievement of certain performance goals, including corporate objectives, strategic initiatives and regulatory and clinical milestones, as determined by the Compensation Committee of the Company’s Board. Dr. Lee is also eligible to participate in BicycleTx’s employee benefit plans generally available to BicycleTx executive employees, subject to the terms of those plans. Dr. Lee’s employment has no specified term, but can be terminated by either party giving the other no less than six months’ notice in writing. Dr. Lee’s employment may be terminated, immediately and without notice, pursuant to the conditions specified in the Lee Agreement, in which event Dr. Lee would then be entitled to certain accrued obligations and may, depending on the circumstances, be entitled to receive payment in lieu of salary and benefits for all or any part of the notice period to which he would otherwise have been entitled. If Dr. Lee’s employment is terminated as a result of his death, by BicycleTx without Cause (as defined in the Lee Agreement) or by Dr. Lee for Good Reason (as defined in the Lee Agreement), BicycleTx will owe Dr. Lee severance pay, the amount of which will depend whether such termination occurs within the 12-month period following a Change of Control (as defined in the Lee Agreement) of the Company. If such termination occurs within such 12-month period, Dr. Lee would be entitled to receive a payment equal to 1.5 times his then-annual salary and target annual performance bonus, and benefits continuation (or cash in lieu thereof) for 18 months following his termination. Any equity awards held by Dr. Lee subject to time-based vesting would also become fully vested. If such termination occurs other than within the 12-month period following a Change of Control (as defined in the Lee Agreement) of the Company, Dr. Lee would be entitled to receive a payment equal to one times his then annual salary, and benefits continuation (or cash in lieu thereof) for 12 months following termination. The Lee Agreement also binds Dr. Lee to customary confidentiality, intellectual property and post-termination covenants.

***Amended and Restated Executive Employment Agreement — Lee Kalowski***

On September 26, 2019, Bicycle Therapeutics Inc. (“Bicycle Inc.”), a wholly owned subsidiary of the Company, entered into an amended and restated employment agreement with Lee Kalowski, Bicycle Inc.’s President and Chief Financial Officer. Pursuant to the amended and restated employment agreement between Bicycle Inc. and Mr. Kalowski (the “Kalowski Agreement”), Mr. Kalowski currently receives an annual base salary of \$450,000 and is eligible for an annual performance bonus with an annual target of 40% of his salary, based on the achievement of certain targeted goals, as determined by Bicycle Inc. and confirmed by Bicycle Inc.’s Board of Directors. Mr. Kalowski reports to the Company’s Chief Executive Officer. Mr. Kalowski is also eligible to participate in Bicycle Inc.’s employee benefit plans generally available to Bicycle Inc.’s executive employees, subject to the terms of those plans. Mr. Kalowski’s employment is at will and may be terminated at any time by Bicycle Inc. or Mr. Kalowski. In the event Mr. Kalowski’s employment is terminated, he would then be entitled to certain accrued obligations. In the case of termination due to death or Disability (as defined in the Kalowski Agreement) only, those accrued obligations would include the annual bonus amount that Mr. Kalowski would have otherwise earned for performance in such preceding calendar year. If Mr. Kalowski’s employment is terminated by Bicycle Inc. without Cause (as defined in the Kalowski Agreement) or

by Mr. Kalowski for Good Reason (as defined in the Kalowski Agreement), provided he signs and does not revoke a separation agreement that includes a release of claims and a non-competition agreement, Bicycle Inc. will pay him severance pay, the amount of which will depend upon whether such termination occurs within the 12-month period following a Change of Control (as defined in the Kalowski Agreement) of the Company. If such termination occurs within such 12-month period, Mr. Kalowski would be entitled to receive 12 months of continued base salary, his target annual performance bonus paid in one lump sum, and payment by Bicycle Inc. of the employer-portion of premiums for continued group health coverage for up to 12 months following his termination. Any equity awards held by Mr. Kalowski subject to time-based vesting would also become fully vested. If such termination occurs other than within the 12-month period following a Change of Control (as defined in the Kalowski Agreement) of the Company, Mr. Kalowski would be entitled to receive nine months of continued base salary and payment by Bicycle Inc. of the employer-portion of premiums for continued group health coverage for up to nine months following termination. The Kalowski agreement also binds Mr. Kalowski to customary confidentiality, intellectual property and post-termination covenants.

The foregoing descriptions of the Lee Agreement and the Kalowski Agreement do not purport to be complete and are qualified in their entirety by the Lee Agreement and the Kalowski Agreement, respectively, which are filed herewith as Exhibits 10.1 and 10.2, respectively, and incorporated by reference into this Item 5.02.

#### ***Non-Employee Director Compensation Policy***

On September 26, 2019, at the recommendation of the Compensation Committee of the Board, the Board approved an amendment to the Company's Non-Employee Director Compensation Policy to alter the vesting provisions applicable to options to purchase ordinary shares granted to non-employee directors. Upon initial election to the Company's Board, each non-employee director will be granted an option to purchase 23,798 ordinary shares (the "Initial Grant"). In addition, on the date of each annual meeting of shareholders each non-employee director (other than the chair) who will continue as a non-employee director following such meeting will be granted an option to purchase 11,899 ordinary shares and the chair will be granted an option to purchase 23,798 ordinary shares (the "Annual Grant"). If a new non-employee director joins the Board on a date other than the date of the Company's annual meeting of shareholders, such non-employee director will be granted a pro-rata portion of the Annual Grant, based on the time between his or her appointment and the Company's next annual meeting of shareholders. The Initial Grant will vest in equal monthly installments over three years, subject to continued service as a director through the applicable vesting dates. The Annual Grant will vest in full on the date of grant. All equity awards granted to the Company's non-employee directors pursuant to the Company's Non-Employee Director Compensation Policy will vest in full upon a sale of the Company.

#### **Item 9.01 Financial Statements and Exhibits**

(a) Exhibits

10.1 [Service Agreement, dated September 26, 2019, by and between BicycleTx Ltd. and Kevin Lee](#)

10.2 [Amended and Restated Employment Agreement, dated September 26, 2019, by and between Bicycle Therapeutics Inc. and Lee Kalowski](#)

**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.

Date: September 30, 2019

**BICYCLE THERAPEUTICS PLC**

By: /s/ Lee Kalowski  
Name: Lee Kalowski  
Title: Chief Financial Officer

**DATED 26 SEPTEMBER 2019**

**BicycleTX Ltd**

and

**Dr Kevin Lee**

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**SERVICE AGREEMENT**

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**THIS AGREEMENT** is made on 26 September 2019

**BETWEEN:**

- (1) **BICYCLETX LIMITED** a company incorporated under the laws of England and Wales (Company Number 11036101) whose registered office is at Building 900, Babraham Research Campus, Babraham, Cambridgeshire, CB22 3AT, United Kingdom (the “Company”); and
- (2) **DR KEVIN LEE** of . (the “Employee”).

**IT IS AGREED** as follows:

**1. COMMENCEMENT OF EMPLOYMENT**

- 1.1 Your employment commenced on 2 September 2015 and shall continue unless and until either party gives notice to the other in accordance with paragraph 11 below. No employment with a previous employer is deemed to be continuous with your employment with the Company.
- 1.2 This Agreement shall take effect on the date first written above and replaces all and any previous employment agreements between you and the Company including (without limitation) your offer letter dated 30 June 2015, and your statements of main terms and conditions of employment dated 2 September 2015, 1 August 2018 and 15 May 2019.
- 1.3 You warrant that by entering into this Agreement or any other arrangements with the Company you will not be in breach of or subject to any express or implied terms of any contract with, or other obligation to, any third party binding on you, including, without limitation, any notice period or the provisions of any restrictive covenants or confidentiality obligations arising out of any employment with any other employer or former employer.
- 1.4 You warrant that you have the right to work in the United Kingdom and you agree to provide to the Company copies of all relevant documents in this respect at the request of the Company. If at any time during the course of this Agreement you cease to have the right to work in the United Kingdom the Company may immediately terminate your employment without payment of compensation.

**2. JOB TITLE**

- 2.1 You shall serve as Chief Executive Officer (“CEO”) reporting to the board of directors (“the Board”) of Bicycle Therapeutics plc (“BTL”). The nature of the Company’s business may result in changes occurring to the content of your role from time to time. You may also be required to carry out such additional or alternative tasks as may from time to time be reasonably required of you consistent with your executive level and job title, provided that these do not fundamentally change or undermine your position.
- 2.2 You shall faithfully and diligently perform such duties as you are required to undertake from time to time and exclusively devote the whole of your working time, skills, ability and attention to the business of the Company and use your best endeavours to promote the interests and reputation of the Company and (where applicable) any Group Company.
- 2.3 Your appointment as a director of the Company and of the Company’s parent company, BTL, is a condition of this Agreement, and in the event that you resign either of your directorships, the Company will treat this as a resignation of your employment.

3. **PLACE OF WORK**

3.1 The Company's offices at Building 900, Babraham Research Campus, Babraham, Cambridge, UK or such other location as the Company may reasonably determine. The CEO position will require extensive international travel on business.

3.2 **Relocation:**

We understand that as a result of your current employment you currently have residences in the Boston area of the United States and the Cambridge area of the UK. Since you intend to relocate from your Boston area residence, you may be able to benefit from certain relocation personal tax allowances permitted by HR Revenue and Customs. The current maximum allowance for tax-free relocation is £8,000, but this may be limited or not offered for higher rate income tax payers. You should take independent advice on your tax affairs relating to your employment by the Company and your relocation arrangements. The Company will offer an allowance for relocation of you and your family and your personal possessions to a location to be a reasonable commuting distance from the Company's Cambridge facility as follows:

- (a) the maximum aggregate entitlement to reimbursable relocation associated payments under (b) below will be £10,000;
- (b) in order for you to relocate fully from the Boston area to the Cambridge area the Company will:
  - i. reimburse the cost of transport of personal possessions from your residential address in the United States to your accommodation in the Cambridge area;
  - ii. reimburse the costs associated with your relocation in respect of any relocation agent, estate agent, legal fees and stamp duty relating to property purchase or rental and fitting out of such accommodation to a standard appropriate for you and your family;
  - iii. reimburse the cost of initial and annual personal tax advice with Grant Thornton or a similar firm of your choosing;such reimbursements to be made within 30 days of presentation of valid receipts for such expenses; and
- (c) any relocation payments made under (b) above will be repayable by you to the Company if you should leave employment of the Company of your own volition within 24 months of the commencement of this Agreement and will be deductible from final salary at the discretion of the Company.

4. **REMUNERATION**

4.1 Your salary will be USD575,000 per annum paid monthly in arrears on or about the last working day of each month (less statutory and voluntary deductions) ("Salary"). Salary will be converted to GBP and paid in GBP based on the USD/GBP Bank of England daily spot exchange rate applicable on the date of this Agreement, with the exchange rate being revised according to the prevailing Bank of England daily spot exchange rate applicable on 1 January of each year. Your Salary will be reviewed annually in accordance with the Company's practices from time to time (which is expected to be by the end of the first quarter of each year). You will be notified in writing of any changes to your Salary or benefits.

- 4.2 You agree that the Company may deduct from the Salary or any other sum due to you (including any pay in lieu of notice) any amounts due to the Company including, without limitation, any overpayment of salary, loan or advance.
- 4.3 For the purposes of this Agreement your earned salary shall mean the proportion of your Salary earned by and due to you in each calendar year of employment with the Company (“Earned Salary”).

4.4 **Retention Bonus:**

You have previously received a cash bonus relating to security of continuation of your service as an employee in the amount of £150,000 (the “Retention Bonus”). In the event that you give notice to terminate your employment with the Company at any time before 1 August 2020 you will be obliged to repay the Retention Bonus, net of statutory applicable tax and National Insurance deductions. In this event the Company shall have the right to deduct such owed element of the Retention Bonus from your Salary or other bonus payments that may fall due.

4.5 **Annual Performance Bonuses:**

You will be eligible to participate in the Company’s discretionary annual performance related bonus scheme to a maximum value of 50% of your Earned Salary in relation to your performance against agreed annual corporate and personal performance objectives as set out below (the “Annual Performance Bonus”). That is, if the compensation committee of the Board (the “Compensation Committee”) determines that you have completed all such corporate and personal objectives to its satisfaction in a given year, your bonus would be 50% of your Earned Salary in that year, excluding any other bonuses in this offer. Such bonus may be payable in cash or, in whole or in part, in share options in BTL, as agreed by you and the Compensation Committee following notification by you of your preference at least 90 days prior to the normal payment date (and in the case of share options with the appropriate HMRC valuation process (if required by the Compensation Committee) and Board approval so as to be compliant with BTL’s share option plan rules), with due consideration for the operational requirements of the Company at that time in your role as CEO.

Any Annual Performance Bonus paid will not be pensionable and are subject to statutory applicable tax and National Insurance deductions. Performance will be assessed by the Compensation Committee at the end of each calendar year, against annual corporate and personal performance objectives agreed between you and the Board at the start of each calendar year, with any such bonus being payable in the first quarter of the following year. Qualification for your Annual Performance Bonus will require that you are employed by the Company (and have not served notice of termination of your employment to the Company) on 31 December of the year to which your bonus entitlement applies.

5 **BENEFITS**

- 5.1 The Company currently operates a personal pension plan provided by Scottish Widows Group. The Company will pay a sum equivalent to 12% of your basic annual earned salary into a personal pension plan selected by the Company. You may make additional contributions if you wish, but this is not mandatory. In the event that you elect, of your own volition, to opt-out of the Company’s pension scheme then the Company will pay you in equal monthly instalments in arrears (less statutory deductions) a sum equivalent to the contribution that it would have made into your pension scheme (the “Cash Equivalent Payment”) less the Employer’s National Insurance Contribution cost incurred by the Company as a result of making the Cash Equivalent Payment.



- 5.2 The Company currently operates a private healthcare scheme and subject to acceptance by the insurer on reasonable terms, you will be entitled to join.
- 5.3 The Company operates a death in service scheme which you automatically join upon commencement of employment.
- 5.4 Further details regarding benefits will be provided upon commencement of your employment. The Company reserves the right to replace or supplement any or all of the scheme(s) referred to in this paragraph 5, or to amend them at any time without compensation, provided that equivalent scheme(s) providing a similar level of benefit are put in place.

## **6 EXPENSES**

The Company shall reimburse all reasonable out of pocket expenses properly incurred by you in the performance of the duties under this Agreement including travelling, subsistence and entertainment expenses provided you follow the Company's guidelines/allowances in force at the relevant time and provided that you shall, where reasonably practicable, provide the Company with vouchers, invoices or such other evidence of such expenses as the Company may reasonably require.

## **7 HOURS OF WORK**

- 7.1 Your normal working hours are Monday to Friday from 9.00 am to 5.30 pm on each working day with one hour for lunch. You will be required to work such other hours as shall be reasonably necessary for you to perform your duties for which no further remuneration is payable.
- 7.2 By entering into this Agreement you confirm, that in your capacity as Chief Executive Officer you may choose or determine the duration of your working time and the working time limits set out in part II of the Working Time Regulations 1998 do not apply to you.

## **8 HOLIDAYS**

- 8.1 In addition to the usual public holidays you will be entitled to 25 working days paid holiday in each calendar year. The holiday will accrue on a pro rata basis throughout each calendar year.
- 8.2 Holidays may only be taken at such time or times as are approved beforehand by the Board or any director that the Board may delegate, such approval not to be unreasonably withheld or delayed. You must give reasonable notice of proposed holiday dates by e-mailing the chairman of the Board (the "Chairman") or delegated director in advance, for approval.
- 8.3 The holiday year runs from January to December. With the agreement of the Chairman (or delegated director), you may carry forward up to 5 days of untaken holiday into the next holiday year. Any carried over holiday must be taken by the end of March of the following calendar year or will be forfeited and no payment will be made in respect of any days so forfeited. You will not generally be permitted to take more than 10 days holiday at any one time.
- 8.4 Upon termination of your employment you will receive pay in lieu of accrued but untaken holiday. The Company may deduct an appropriate sum in respect of days taken in excess of your pro rata entitlement from your final remuneration on the basis that one day's holiday will be calculated as 1/260ths of your basic annual salary.
- 8.5 In the event that notice of termination of this Agreement is served by either party, the Company may require you to take any outstanding holiday during this notice period.

**9 SICKNESS AND OTHER ABSENCE**

- 9.1 If you are unable to attend at work by reason of sickness or injury or any unauthorised reason you must inform the Company as soon as possible on the first day of absence (and in any event not later than 11.00 am on the first day of absence) and, in the case of absence of uncertain duration, you must keep the Company regularly informed of your continued absence and your likely date of return. You are expected to observe this rule very strictly since failure to do so will entitle the Company to stop payment in respect of each day you fail to notify the Company.
- 9.2 If your absence, due to sickness or injury, is for less than seven (7) days, on your return to work you are required to immediately complete a self-certification form available from the Company. If your absence continues for more than seven (7) consecutive days (whether or not working days) you must provide the Company with a doctor's certificate from the seventh consecutive day of sickness or injury. This doctor's certificate must be provided to the Company promptly following the seventh consecutive day of absence. If illness continues after the expiry of the first certificate, further certificates must be provided promptly to cover the whole period of absence.
- 9.3 Subject to your compliance with the Company's sickness absence procedures (as amended from time to time), the Company may in its sole and absolute discretion pay full salary and contractual benefits during any period of absence due to sickness or injury for up to an aggregate of 3 months in any fifty-two (52) week period (whether such absence is continuous or intermittent in any calendar year). Such payment shall be inclusive of any statutory sick pay due in accordance with applicable legislation in force at the time of absence. The Company may, in its sole and absolute discretion, extend the period of allowance in an individual case if the circumstances so justify. Thereafter, the Company shall pay statutory sick pay or equivalent benefit to which you may be entitled subject to your compliance with the appropriate rules.
- 9.4 Whether absent from work or not, you may be, but only on reasonable grounds, required to undergo a medical examination by a Company doctor and your consent will be sought for a report to be sent to the Company.
- 9.5 The payment of sick pay in accordance with this paragraph 9 is without prejudice to the Company's right to terminate this Agreement prior to the expiry of your right to payments.
- 9.6 In the event you are incapable of performing your duties by reason of injuries sustained wholly or partly as a result of a third party's actions all payments made to you by the Company as salary or sick pay shall to the extent that compensation is recoverable from that third party constitute loans to you and shall be due and owing when and to the extent that you recover compensation for loss of earnings from the third party.

**10 GARDEN LEAVE**

- 10.1 After notice of termination has been given by you or the Company, the Company may at its discretion require you, for all or part of your notice period, to comply with any or all of the following instructions:
- (a) not to carry out any further work for the Company or for any Group Company;
  - (b) to remain away from the Company's business premises and those of any Group Company (unless given written permission to do otherwise);
  - (c) not to contact any of the Company's clients, suppliers or employees or those of any Group Company without the Company's prior written permission;

- (d) to carry out only part of your duties, or to carry out alternative duties or special projects for the Company within your skill set;
  - (e) to co-operate in the handover of your duties and responsibilities;
  - (f) to resign from any offices (including as a director) you hold within the Company or any Group Company or by virtue of your employment with us;
  - (g) to answer, in an honest and helpful way, such questions as the Company may reasonably ask of you;
  - (h) to keep the Company informed of your whereabouts and contact details and to remain reasonably contactable and available for work.
- 10.2 During any such period as described in paragraph 10.1 (“Garden Leave”) the Company may appoint another person to carry out some or all of your duties. You will continue to owe all other duties and obligations (whether express or implied including fidelity and good faith) during Garden Leave and you shall continue to receive full pay and benefits (including, notwithstanding any contrary provisions in the relevant plan rules, accruing entitlements to cash and equity incentive awards and bonus payments in respect of the Garden Leave period).
- 10.3 By placing you on Garden Leave, the Company will not be in breach of this Agreement or any implied duty of any kind whatsoever nor will you have any claim against the Company in respect of any such action.
- 10.4 During any period of Garden Leave you will remain readily contactable and available for work save when on paid holiday taken in accordance with paragraph 8. In the event that you are not available for work having been requested by the Company to do so, you will, notwithstanding any other provision of this Agreement, forfeit any right to salary and contractual benefits.
- 10.5 During any period of Garden Leave the Company may require you to deliver up any Confidential Information or property of the Company or any Group Company and upon instruction, delete any emails, spreadsheets or other Confidential Information and you will confirm your compliance with this paragraph 10.5 in writing if requested to do so by the Company.
- 10.6 During any period of Garden Leave the Company may require you to take any outstanding holiday entitlement.

## **11 NOTICE**

- 11.1 Without prejudice to the Company’s right to summarily terminate your employment in accordance with paragraph 11.3 below and your right to summarily terminate your employment for Good Reason in accordance with paragraph 11.4 below, either you or the Company may terminate your employment by giving to the other not less than six months’ notice in writing.
- 11.2 The Company reserves the right in its sole and absolute discretion to give written notice to terminate your employment forthwith and to make a payment to you in lieu of salary and the benefits set out in paragraph 5 of this Agreement for all or any unexpired part of the notice period. For the avoidance of doubt, any payment in lieu made pursuant to this paragraph 11.2 will not include any element in relation to any payment in respect of (i) any Annual Performance Bonus; or (ii) any holiday entitlement that would have otherwise accrued during the period for which the payment in lieu is made. For the further avoidance of doubt, if the Company elects to make a Payment in Lieu after notice of termination has been given by you, this will not constitute a termination by the Company without Cause for the purposes of paragraphs 11.7 and 11.8 below.

- 11.3 The Company may summarily terminate your employment hereunder (without notice) for Cause. For purposes of this Agreement, "Cause" shall mean where you:
- (a) commit gross misconduct which includes, but is not limited to, dishonesty, fraud, theft, being under the influence of alcohol or drugs at work, causing actual or threatening physical harm and causing damage to Company property;
  - (b) commit a material breach or non-observance of your duties or any of the provisions of this Agreement, or materially fail to observe the lawful directions of the Company, or breach any material Company policy or code of conduct, including but not limited to the Company's policy from time to time on matters relating to harassment;
  - (c) are convicted of a criminal offence (other than an offence under the road traffic legislation in the United Kingdom or elsewhere for which a non-custodial sentence is imposed);
  - (d) act in a manner which in the reasonable opinion of the Company, brings the Company into disrepute or otherwise prejudices or is in the reasonable opinion of the Company considered likely to prejudice the reputation of the Company;
  - (e) in the reasonable opinion of the Company, are guilty of any serious negligence in connection with or affecting the business or affairs of the Company;
  - (f) are unfit to carry out the duties hereunder because of sickness, injury or otherwise for an aggregate period of 26 weeks in any fifty-two (52) week period even if, as a result of such termination, you would or might forfeit any entitlement to benefit from sick pay under paragraph 9.3 above.

Any delay or forbearance by the Company in exercising any right of termination in accordance with this paragraph 11.3 will not constitute a waiver of such right.

- 11.4 You may summarily terminate your employment hereunder at any time (without notice) for Good Reason after complying with the Good Reason Process. For purposes of this Agreement, "Good Reason" shall mean that you have complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in your responsibilities, authority or duties; (ii) a material diminution in your Salary; (iii) a material change in the geographic location at which you provides services to the Company; or (iv) the material breach of this Agreement by the Company. "Good Reason Process" shall mean that (i) you reasonably determine in good faith that a "Good Reason" condition has occurred; (ii) you notify the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment (without notice) within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.
- 11.5 Your employment hereunder shall also terminate immediately upon your death.
- 11.6 If your employment with the Company is terminated for any reason, the Company shall pay or provide to you (or to your authorised representative or estate) (i) any Salary earned through the Termination Date (as defined below); (ii) unpaid expense reimbursements (subject to, and in accordance with, paragraph 6 of this Agreement); and (iii) any vested benefits you may have under any employee benefit plan of the Company through the Termination Date, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit

plans (collectively, the “Accrued Benefits”).

**Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason outside the Change in Control Period.**

11.7 If your employment is terminated on account of your death or by the Company without Cause (being for any reason not covered by paragraph 11.3), or you terminate your employment for Good Reason (as provided in paragraph 11.4), in either case outside of the Change in Control Period, then the Company shall pay you the Accrued Benefits. In addition, subject to (i) your (or your authorised representative or estate signing, if the termination is due to your death) signing a settlement agreement and a separation agreement and release (together the “Settlement Agreements”) in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of your continuing obligations to the Company, including those set forth in paragraphs 14 — 16, and (in the case of the separation agreement and release) and a seven (7) business day revocation period; and (ii) the separation agreement and release becoming irrevocable, all within 60 days after the Termination Date (or such shorter period as set forth in the Settlement Agreements), the Company shall: (A) pay you (or your authorised representative or estate if the termination is due to your death) an amount equal to twelve (12) months of your salary as of the Termination Date (which payment shall not be reduced by either the value of any salary paid to you during your notice period or by the value of any payment made to you in lieu of notice pursuant to paragraph 11.2); and (B) pay you (or your authorised representative or estate if the termination is due to your death) an amount equal to the cost to the Company of providing you with the contractual benefits under paragraph 5 for twelve (12) months or, at the Company’s option, continue to provide you with such benefits for twelve (12) months.

**Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Within the Change in Control Period**

11.8 The provisions of this paragraph 11.8 shall apply in lieu of, and expressly supersede, the provisions of paragraph 11.7 regarding severance pay and benefits upon a termination by the Company without Cause or by you for Good Reason if such termination of employment occurs within 12 months after the occurrence of the first event constituting a Change in Control (such period, the “Change in Control Period”). These provisions shall terminate and be of no further force or effect after the Change in Control Period.

- (a) Change in Control Period. If during the Change in Control Period your employment is terminated on account of your death or by the Company without Cause (being for any reason not covered by paragraph 11.3) or you terminate your employment for Good Reason (as provided in paragraph 11.4), then, subject to (i) your signing (or your authorised representative or estate signing, if the termination is due to your death) a settlement agreement and a separation agreement and release (together the Settlement Agreements) in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of your continuing obligations to the Company, including those set forth in paragraphs 14 —16, and (in the case of the separation agreement and release) and a seven (7) business day revocation period; and (ii) the separation agreement and release becoming irrevocable, all within 60 days after the Termination Date (or such shorter period as set forth in the Settlement Agreements):

- (i) the Company shall: pay you (or your authorised representative or estate if the termination is due to your death) an amount equal to 1.5 times the sum of (A) your annual salary as of the Termination Date (or your annual salary in effect immediately prior to the Change in Control, if higher) plus (B) your target annual performance bonus amount under the Annual Bonus Plan for the then-current year (the “Change in Control Payment”), which payment shall not be reduced by either the value of any salary paid to you during your notice period or by the value of any payment made to you in lieu of notice pursuant to paragraph 11.2;
- (ii) the Company shall: pay you (or your authorised representative or estate if the termination is due to your death) an amount equal to the cost to the Company of providing you with the contractual benefits under paragraph 5 for eighteen (18) months or, at the Company’s option, continue to provide you with such benefits for eighteen (18) months; and
- (iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Time-Based Equity Awards shall immediately accelerate and become fully exercisable (for a period determined in accordance with the rules of the applicable equity plan) or nonforfeitable as of the later of (A) the Termination Date or (B) the Accelerated Vesting Date; *provided that* any termination or forfeiture of the unvested portion of such Time-Based Equity Awards that would otherwise occur on the Termination Date in the absence of this Agreement will be delayed until the Effective Date of the Settlement Agreements and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Settlement Agreements becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Time-Based Equity Awards shall occur during the period between your Termination Date and the Accelerated Vesting Date.

11.9 Definitions. For purposes of this paragraph 11, the following terms shall have the following meanings:

“Accelerated Vesting Date” means the effective date of the Settlement Agreements signed by you (or your authorised representatives or estate if the termination is due to your death).

“Termination Date” means the date on which your employment hereunder terminates.

“Time-Based Equity Awards” means all time-based stock options and other stock-based

awards subject to time based vesting held by you.

“Change in Control” has the meaning given to that term in the Schedule to this Agreement.

## **12 INDEPENDENT ACTIVITY**

You will be permitted to participate as an advisor, consultant, member or board director of other pharma/biotech sector entities from time to time during your employment, which may be industrial, academic or not-for-profit organisations or committees, provided that the time committed to such duties does not exceed 6 days service per year. Any such appointment is subject to the prior approval of the Board such approval not to be unreasonably withheld and must not compete with the business of the Company. You will place the Company’s business in priority over any such independent activity. The Board may at its discretion increase the permitted time commitment to up to 12 days where a new specific opportunity has been identified by you which would give you experience that is considered to be of wider benefit to the Company, again such permission not to be unreasonably withheld and subject to the same other conditions set out above.

## **13 DISCIPLINARY, DISMISSAL AND GRIEVANCE PROCEDURES**

- 13.1 A copy of the Company’s disciplinary, dismissal and grievance procedures are set out in its employee handbook (the “Employee Handbook”).
- 13.2 Any grievance concerning your employment should be taken up orally in the first instance with the Chairman. If the grievance is not resolved to your satisfaction, you should then refer it to the Board.
- 13.3 The Company reserves the right to suspend you on full pay and benefits at any time for a reasonable period to investigate any potential disciplinary matter that it reasonably believes you may be or may have been involved in.

## **14 OUTSIDE EMPLOYMENT, CONFIDENTIAL INFORMATION, CONFLICTING INTERESTS AND RETURN OF COMPANY PROPERTY**

- 14.1 For the purposes of this paragraph 14, paragraph 10 above and paragraph 15 below the expression “Confidential Information” shall include, but not be limited to, any and all knowledge, data or information (whether or not recorded in documentary form or on computer disk or tape), which may be imparted in confidence or which is of a confidential nature or which you may reasonably regard as being confidential or a trade secret by the Company, concerning the business, business performance or prospective business, financial information or arrangements, plans or internal affairs of the Company, any Group Company or any of their respective customers. By way of illustration but not limitation, “Confidential Information” includes (a) trade secrets, inventions, mask works, ideas, processes, formulas, software in source or object code, data, records, reports, interpretations, the contents of any databases, programs, other works of authorship, know-how, materials, improvements, discoveries, developments, technical information, designs and techniques and any other proprietary technology and all IPRs (as defined below) therein (collectively, “Inventions”); (b) information regarding research, development, new products, planned products, planned surveys, marketing surveys, research reports, market share and pricing statistics, marketing and selling, business plans, financial details, budgets and unpublished financial statements, licenses, prices and costs, fee levels, margins, discounts, credit terms, pricing and billing policies, quoting procedures, commissions, commission charges, other price sensitive information, methods of obtaining business and other business methods, forecasts, future plans and potential strategies, financial projections and business strategies and targets,

operational plans, financing and capital-raising plans, activities and agreements, internal services and operational manuals, methods of conducting Company business, corporate and business accounts, suppliers and supplier information, and purchasing; (c) information regarding clients or customers and potential clients or customers of the Company, including customer lists, client lists, names, addresses (including email), telephone, facsimile or other contact numbers and contact names, representatives, their needs or desires with respect to the types of products or services offered by the Company, proposals, bids, contracts and their contents and parties, the type and quantity of products and services provided or sought to be provided to customers and potential customers of the Company and other non-public information relating to customers and potential customers; (d) information regarding any of the Company's business partners and their services, including names, representatives, proposals, bids, contracts and their contents and parties, the type and quantity of products and services received by the Company, and other non-public information relating to business partners; (e) information regarding personnel, computer passwords, employee lists, compensation and remuneration, and employee skills; and (f) any other non-public information which a competitor of the Company could use to the competitive disadvantage of the Company.

- 14.2 You shall not, without the prior written consent of the Company, either solely or jointly, directly or indirectly, carry on or be engaged, concerned or interested in any other trade or business, including, but not limited to, carrying on business with the Company's suppliers or dealers, save that nothing in this paragraph 14.2 shall prevent you from holding (with the prior written consent of the Company, which shall not be unreasonably delayed or withheld) up to three percent (3%) of the issued equity share capital of any company where those equity shares are listed on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or traded on the AIM market operated by the London Stock Exchange. Failure to secure advance permission in accordance with this paragraph 14.2 may result in summary dismissal.
- 14.3 You will not (except with the prior written consent of the Board) except in the proper course of your duties during the continuance of this Agreement (which for the avoidance of doubt shall include the use of laptops and remote working), or at any time thereafter:
- (a) disclose or use for your own or for another's purpose or benefit any Confidential Information which you may learn while in the employment of the Company except as required by a court of law or any regulatory body or that which may be in or become part of the public domain other than through any act or default on your part;
  - (b) copy or reproduce in any form or by or on any media or device or allow others access to copy or reproduce any documents (including without limitation letters, facsimiles and memoranda), disks, memory devices, notebooks, tapes or other medium whether or not eye-readable and copies thereof on which Confidential Information may from time to time be recorded or referred to ("Documents"); or
  - (c) remove or transmit from the Company or any Group Company's premises any Documents on which Confidential information may from time to time be recorded.
- 14.4 Upon termination of your employment for any reason by either party, you must immediately return to the Company all Company property including but not limited to documents, papers, records, keys, credit cards, mobile telephones, computer and related equipment, PDA or similar device, security passes, accounts, specifications, drawings, lists, correspondence, catalogues or the like relating to the Company's business which is in your possession or under your control and you must not take copies of the same without the Company's express written authority.



## 15 RESTRICTIVE COVENANTS

15.1 For the purpose of this paragraph 15 the following expressions shall have the following meanings:

**“Prospective Customer”** shall mean any person, firm, company or other business who was to your knowledge at the Termination Date negotiating with the Company or with any Group Company with a view to dealing with the Company or any Group Company as a customer;

**“Restricted Business”** means any business which (i) carries on research in the field of constrained peptides, including, without limitation, all work in the field of lead constrained peptide identification and optimization and pre-clinical development of constrained peptide therapeutics or (ii) is developing a drug conjugate compound for treating cancer that targets the same target as a drug conjugate compound in development by any Group Company;

**“Restricted Customers”** shall mean any person, firm, company or other business who was to your knowledge at any time in the twelve (12) month period ending with the Termination Date a customer of the Company or any Group Company;

**“Restricted Period”** shall mean the period of twelve (12) months from the Termination Date;

**“Restricted Territory”** means anywhere in the United States or the United Kingdom or in any other country in which the Company or any Group Company conducts business or as of the date of termination of my employment relationship had plans to conduct business; and

**“Termination Date”** shall mean the date on which your employment under this Agreement terminates either due to you or the Company terminating it in accordance with the terms of the Agreement or in breach of the terms of this Agreement.

15.2 During the course of your employment hereunder you are likely to obtain Confidential Information relating to the business of the Company or any Group Company and personal knowledge and influence over clients, customers and employees of the Company or any Group Company. You hereby agree with the Company that to protect the Company’s and any and all Group Company’s business interests, customer connections and goodwill and the stability of its or their workforce, that you will not during the Restricted Period (and in respect of sub-paragraph 15.2(f) below only, at any time):

- (a) in the Restricted Territory, compete with the business of the Company or any Group Company by being directly or indirectly employed or engaged in any capacity by any person, firm or company which engages in or provides Restricted Business or commercial activities competitive with the Restricted Business to Restricted Customers or Prospective Customers;
- (b) in the Restricted Territory, compete with the business of the Company or any Group Company either on your own account or for any person, firm or company directly or indirectly by transacting business in competition with the Restricted Business with any Restricted Customer or Prospective Customer of the Company or Group Company and with whom you personally dealt in respect of Restricted Business in the pursuance of the employment hereunder in the twelve (12) months prior to the Termination Date;
- (c) in the Restricted Territory, compete with the business of the Company or any Group Company either on your own account or for any person, firm or company directly or indirectly in competition with the Restricted Business by soliciting or endeavouring to solicit or entice the business or custom of any Restricted Customer or Prospective

Customer and with whom you personally dealt in respect of Restricted Business in the pursuance of the employment hereunder in the twelve (12) months prior to the Termination Date;

- (d) either on your own account or for any person, firm or company directly or indirectly solicit or entice away or endeavour to solicit or entice away any director or senior employee of the Company or any Group Company employed in a managerial, scientific or technical role with whom you have had material personal dealings in the twelve (12) months prior to the Termination Date;
- (e) from the Termination Date for the purpose of carrying on any trade, or business represent or allow you to be represented or held out as having any present association with the Company or any Group Company; and
- (f) from the Termination Date carry on any trade or business whose name incorporates the word Bicycle or any deviation or extension thereof which is likely or which may be confused with the name of the Company or any Group Company.

- 15.3 While the restrictions set out in paragraph 15.2 above are considered by the parties to be reasonable in all the circumstances, it is agreed that if any one or more of such restrictions shall either taken by itself or themselves together be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Company but would be adjudged reasonable if any particular restriction or restrictions were deleted or if any part or parts of the wording thereof were deleted, restricted or limited in a particular manner, then the restrictions set out in paragraph 15.2 above shall apply with such deletions or restrictions or limitations as the case may be.
- 15.4 For the avoidance of doubt nothing in this paragraph 15 shall prevent you from having any dealings with any Prospective Customer or Restricted Customer in relation to any business which is not Restricted Businesses and which is not competitive with the Restricted Business, nor from continuing to deal with any Prospective Customer or Restricted Customer where you either have a social or business relationship unconnected to the Company and that relationship does not compete with the Restricted Business.
- 15.5 The restrictions contained in paragraph 15.2 above are held by the Company for itself and on trust for any other Group Company and shall be enforceable by the Company on their behalf or by any Group Company (at their request). You shall during the employment hereunder enter into direct agreements with any Group Company whereby you will accept restrictions in the same or substantially the same form as those contained in paragraph 15.2 above.
- 15.6 In the event that the Company exercises its rights and places you on Garden Leave under paragraph 10 above then the Restricted Period shall be reduced by any period(s) spent by you on Garden Leave prior to the Termination Date.
- 15.7 During the Restricted Period you shall provide a copy of the restrictions contained at paragraph 14 above and this paragraph 15 to any employer or prospective employer or any other party with whom you become or will become engaged or provide service or services to.

## **16 INTELLECTUAL PROPERTY**

- 16.1 For the purpose of this paragraph 15 “IPRs” shall mean all trade secrets, Copyrights, trademarks and trade and business names (including goodwill associated with any trademark or trade or business names and the right to sue for passing off or unfair competition), service marks, mask work rights, patents, petty patents, rights in ideas, concepts, innovations, discoveries, developments and

improvements, drug formulations, technology, rights in domain names, rights in inventions, utility models, rights in know-how (including all data, methods, processes, practices and other results of research), unregistered design rights, registered design rights, database rights, semiconductor topography rights and other intellectual property rights recognized by the laws of any jurisdiction or country including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world; the term "Copyright" means the exclusive legal right to reproduce, perform, display, distribute and make derivative works of a work of authorship (as a literary, musical, or artistic work) recognized by the laws of any jurisdiction or country; and the term "Moral Rights" means all paternity, integrity, disclosure, withdrawal, special and any other similar rights recognized by the laws of any jurisdiction or country.

- 16.2 It is contemplated that you may in the course of your employment with the Company create, author or originate (either alone or jointly with others) Inventions (as defined in paragraph 14.1), and/or records, reports, papers, databases, data, information, know how, literature, drawings, graphics, typographical arrangements, designs, works, documents, publications and other materials (in printed, electronic, or any other media or form) (together with Inventions constituting "Works").
- 16.3 You will promptly disclose to the Company full details of any Inventions on their creation and provide further details, explanations and demonstrations as the Company from time to time requests.
- 16.4 All IPRs subsisting in any Works shall be the exclusive property of the Company.
- 16.5 To the extent that such IPRs do not vest automatically in the Company by operation of law, you hereby assign and agree to assign to the Company all of your right, title and interest in any existing and future IPRs which may subsist in any Works for their full term of protection (including any extensions, revivals and renewals) together with the right to sue and claim remedies for past infringement and all materials embodying these rights to the fullest extent permitted by law in any and all countries of the world. Insofar as such IPRs do not vest automatically by operation of law or under this Agreement, the Consultant holds legal title in these rights and inventions on trust for the Company.
- 16.6 To the extent permitted by law you hereby irrevocably and unconditionally waive in favour of the Company, its licensees and successors in title, all existing and future Moral Rights (or similar rights existing in any part of the world) you may have in respect of any Works under Chapter IV of the Copyright Designs and Patents Act 1988 in England or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agrees not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such Works, Inventions or other materials infringes the Consultant's Moral Rights.
- 16.7 Without prejudice to the generality of paragraph 16.10 below, during your employment with the Company and thereafter, without limit in time, you shall at the request and expense of the Company, promptly assist the Company:
- (a) to file, prosecute, obtain and maintain registrations and applications for registration of any IPRs subsisting in, or protecting, any Works; and
  - (b) to commence and prosecute legal and other proceedings against any third party for infringement of any IPRs subsisting in, or protecting, any Works and to defend any proceedings or claims made by any third party that the use or exploitation of any Works

infringes the IPRs or rights of any third party.

- 16.8 You shall keep details of all Inventions confidential and shall not disclose the subject matter of any Inventions to any person outside the Company without the prior consent of the Company. You acknowledge that any unauthorised disclosure of such subject matter may prevent the Company from obtaining patent or registered intellectual property protection for such Invention.
- 16.9 Whenever requested to do so by the Company and in any event on the termination or expiry of this Agreement, you shall promptly deliver to the Company all correspondence, documents, papers and records on all media (and all copies or abstracts of them), recording or relating to any part of the Works and the process of their creation which are in your possession, custody or power.
- 16.10 Subject to paragraph 16.11 below, during your employment with the Company and thereafter without limit in time you shall at the request and expense of the Company promptly execute and do all acts, matters, documents and things necessary or desirable to give the Company the full benefit of the provision of this paragraph 16. You shall not register nor attempt to register any of the IPRs in the Works, nor any of the Inventions, unless requested to do so in writing by the Company.
- 16.11 Nothing in this paragraph 16 shall be construed, or have the effect of, restricting your rights under sections 39 to 43 (inclusive) of the Patents Act 1977 (as amended from time to time).

## **17 LITIGATION ASSISTANCE**

During the term of your employment and at all times thereafter subject always to your obligations to third parties, you shall furnish such information and proper assistance to the Company or any Group Companies as it or they may reasonably require in connection with the Company's intellectual property (including without limitation applying for, defending, maintaining and protecting such intellectual property) and in connection with litigation in which it is or they are or may become a party. This obligation on you shall include, without limitation, meeting with the Company or any Group Companies' legal advisers, providing witness evidence, both in written and oral form, and providing such other assistance that the Company or any Group Companies' legal advisers in their reasonable opinion determine. The Company shall reimburse you for all reasonable out of pocket expenses incurred by you in furnishing such information and assistance and in the event you are no longer employed by the Company a reasonable daily rate (as agreed between you and the Company for such assistance). Such assistance shall not require you to provide assistance for more than 5 days in any calendar month. For the avoidance of doubt the obligations under this paragraph 17 shall continue notwithstanding the termination of your employment with the Company.

## **18 COLLECTIVE AGREEMENTS**

There are no collective agreements which directly affect your terms and conditions of employment.

## **19 DATA PROTECTION**

*Processing of personal data and our policies*

- 19.1 Information relating to an individual (or from which an individual may be identified) is called "personal data".

19.2 In processing personal data, we are required to comply with the law on data protection. To help us achieve this, we have produced a privacy notice (“Privacy Notice”). This may be found in the Employee Handbook. You must read this and comply with it in carrying out your work.

*Data protection principles*

19.3 In complying with the law on data protection, we are required to comply with what are known as data protection principles. These are summarised in our Privacy Notice. In performing your role and carrying out your responsibilities, you must do your best to ensure that we comply with these principles.

19.4 A key element of the data protection principles is the duty to ensure that data is processed securely and protected against unauthorised or unlawful processing or loss. Key elements include the following:

- (a) You must ensure that laptops, memory sticks, phones and other mobile devices are password protected and encrypted. You must not take such devices outside the office without encryption. You must take care of them and keep them secure.
- (b) You must use strong passwords, changing them when asked and not sharing them with unauthorised colleagues.
- (c) You must not access other individuals’ personal data unless in the course of your work.

*Data breach — and urgent notification*

19.5 If you discover a data breach, you **must** notify the Chairman or CFO immediately — and, if practicable, within one hour. Depending on context, you may then need to provide further information on the circumstances of the breach.

19.6 A data breach occurs where there is destruction, loss, alteration or unauthorised disclosure of or access to personal data which is being held, stored, transmitted or processed in any way. For example, there is a data breach if our servers are hacked or if you lose a laptop or USB stick or send an email to the wrong person by mistake.

19.7 Failure to notify a breach or to provide information as set out above will be treated seriously and disciplinary action may be taken.

*Why we process personal data*

19.8 For information on the nature of the data we process, why we process it, the legal basis for processing and related matters, please refer to our Privacy Notice. In summary:

- (a) We process personal data relating to you for the purposes of our business including management, administrative, employment and legal purposes.
- (b) We monitor our premises and the use of our communication facilities, including using CCTV cameras, monitoring compliance with our data and IT policies, and where non-compliance is suspected, looking in a more targeted way.

19.9 The summary above is for information only. We do not, in general, rely on your consent as a legal basis for processing. Agreeing the terms of this Agreement will not constitute your giving consent to our processing of your data.

19.10 We reserve the right to amend the documents referred to above from time to time.

## **20 THIRD PARTY RIGHTS**

Save in respect of any rights conferred by this Agreement on any Group Company (which such Group Company shall be entitled to enforce), a person who is not a party to this Agreement may not under the Contracts (Rights of Third Parties) Act 1999 enforce any of the terms

contained within this Agreement.

**21 GROUP COMPANIES**

In this Agreement “Group Company” means a subsidiary or affiliate and any other company which is for the time being a holding company of the Company or another subsidiary or affiliate of any such holding company as defined by the Companies Act 2006 (as amended) and “Group Companies” will be interpreted accordingly.

**22 ENTIRE AGREEMENT**

These terms and conditions constitute the entire agreement between the parties and supersede any other agreement whether written or oral previously entered into.

**23 JURISDICTION AND CHOICE OF LAW**

This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales and the parties to this Agreement submit to the exclusive jurisdiction of the Courts of England and Wales in relation to any claim, dispute or matter arising out of or relating to this Agreement.

**24 NOTICES**

Any notices with respect to this Agreement shall be in writing and shall be deemed given if delivered personally (upon receipt), sent by email or sent by first class post addressed, in the case of the Company, to the Company Secretary at its registered office and in your case, addressed to your address last known to the Company.

## Schedule

### Definitions

**Change in Control:** means and includes each of the following:

- (a) a Sale; or
- (b) a Takeover.

The Compensation Committee shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any such Change in Control also qualifies as a “change in control event” as defined in Section 409A of the United States Internal Revenue Code of 1986, as amended and the regulations and other guidance thereunder and any state law of similar effect, and any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” is consistent with such regulation.

**Control:** shall have the meaning given to that word by Section 719 of the UK Income Tax (Earnings and Pensions) Act 2003 and “**Controlled**” shall be construed accordingly.

**Sale:** the sale of all or substantially all of the assets of BTL.

**Takeover:** circumstances in which any person (or a group of persons acting in concert) (the “**Acquiring Person**”):

- (a) obtains Control of BTL as the result of making a general offer to:-
  - i. acquire all of the issued ordinary share capital of BTL, which is made on a condition that, if it is satisfied, the Acquiring Person will have Control of BTL; or
  - ii. acquire all of the shares in BTL; or
- (b) obtains Control of BTL as a result of a compromise or arrangement sanctioned by a court under Section 899 of the UK Companies Act 2006, or sanctioned under any other similar law of another jurisdiction; or
- (c) becomes bound or entitled under Sections 979 to 985 of the UK Companies Act 2006 (or similar law of another jurisdiction) to acquire shares in BTL; or
- (d) obtains Control of BTL in any other way, including but not limited to by way of a merger.

THIS AGREEMENT has been executed and delivered as a deed by or on behalf of the parties on the date written at the top of page 1.

Executed as a Deed by **BICYCLETX LIMITED** acting by a director:

/s/ Pierre Legault (Director)

in the presence of:

/s/ Diane Legault

Witness Name: Diane Legault

Witness Address:



Executed as a Deed by **KEVIN LEE**:

/s/ Kevin Lee (Kevin Lee)

in the presence of:

/s/ Paula Barnes

Witness Name: Paula Barnes

Witness Address:

## AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “*Agreement*”) is entered into effective as of September 26, 2019 (the “*Effective Date*”), by and between Lee Kalowski (“*Executive*”) and Bicycle Therapeutics Inc. (the “*Company*”).

Executive has been employed by the Company as its President and Chief Financial Officer pursuant to the Employment Agreement with the Company dated July 24, 2017, which was then amended and restated May 28, 2019 (the “*Prior Agreement*”).

The Company desires to continue to employ Executive and, in connection therewith, to compensate Executive for Executive’s personal services to the Company; and

Executive wishes to continue to be employed by the Company and provide personal services to the Company in return for certain compensation.

Accordingly, in consideration of the mutual promises and covenants contained herein, the parties agree to the following:

**1. EMPLOYMENT BY THE COMPANY.**

**1.1 At-Will Employment.** Executive shall continue to be employed by the Company on an “at-will” basis, meaning either the Company or Executive may terminate Executive’s employment at any time, with or without Cause (as defined in Section 6.2(f) below), Good Reason (as defined in Section 6.2(e) below), or advance notice. Any contrary representations that may have been made to Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between Executive and the Company on the “at-will” nature of Executive’s employment with the Company, which may be changed only in an express written agreement signed by Executive and a duly authorized officer of the Company. Executive’s rights to any salary or cash bonus following a termination shall be only as set forth in Section 6 or under any applicable benefit or equity plan.

**1.2 Position.** Subject to the terms set forth herein, the Company agrees to continue to employ Executive and Executive hereby accepts such continued employment. In addition, Executive shall continue to serve as President and Chief Financial Officer. During the term of Executive’s employment with the Company, and excluding periods of vacation and sick leave to which Executive is entitled, Executive shall devote all business time and attention to the affairs of the Company necessary to discharge the responsibilities assigned hereunder, and shall use commercially reasonable efforts to perform faithfully and efficiently such responsibilities.

**1.3 Duties.** Executive will continue to render such business and professional services in the performance of Executive’s duties (consistent with Executive’s position as President and Chief Financial Officer) to the Company, and for the benefit of the Company’s parent, Bicycle Therapeutics plc (“*BTL*”). Executive shall continue to report to BTL’s Chief Executive Officer. For the avoidance of doubt and for ease of understanding the intent of the arrangement, all of Executive’s services described herein shall be provided directly to the Company, which will, in turn, continue to

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provide such services to BTL pursuant to an arm's length intra-company agreement. To the extent that Executive engages in any services contemplated herein on BTL's behalf that involve the execution and negotiation of legal documents, such services will be performed in the United Kingdom. Executive shall continue to be expected to perform Executive's duties under this Agreement out of the Company's office in Lexington, Massachusetts, or such other location as assigned. In addition, Executive shall make such business trips to such places as may be reasonably necessary or advisable for the efficient operations of the Company.

**1.4 Company Policies and Benefits.** The employment relationship between the parties shall continue to be subject to the Company's written personnel policies and procedures as they may be adopted, revised, or deleted from time to time in the Company's sole discretion. Executive will continue to be eligible to participate on the same basis as similarly-situated employees in the Company's benefit plans in effect from time to time during Executive's employment. Subject to the preceding sentence, the Company reserves the right to change, alter, or terminate any benefit plan in its sole discretion. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

**1.5 Vacation.** During the term of Executive's employment with the Company, Executive shall continue to accrue five weeks of paid time off per calendar year (prorated for partial years), subject to the Company's paid time off policy, as in effect from time to time.

**1.6 Pension.** During the term of Executive's employment with the Company, Executive shall continue to be eligible to receive up to four (4) percent of Base Salary as contributions to a safe harbor 401(k) plan.

## **2. COMPENSATION.**

**2.1 Salary.** Executive shall receive an annualized base salary of \$450,000, subject to review and increase (but not decrease) from time to time by the Company in its sole discretion, payable subject to standard federal and state payroll withholding requirements in accordance with the Company's standard payroll practices (the "**Base Salary**").

### **2.2 Bonus.**

**(a) During Employment.** Executive shall be eligible to earn an annual performance bonus (the "**Annual Bonus**") with an annual target of 40% (the "**Target Percentage**") of Executive's then-current Base Salary. The Annual Bonus will be based upon the assessment by the Board of Directors of the Company (the "**Board**") or a committee thereof of Executive's performance and the Company's attainment of targeted goals (as set by the Company and confirmed by the Board in its reasonable good faith discretion) over the applicable calendar year. The Annual Bonus, if any, will be subject to applicable payroll deductions and withholdings. No amount of any Annual Bonus is guaranteed at any time, and, except as otherwise stated in Sections 6.3(a)(iii), Executive must be an employee in good standing through the date the Annual Bonus is paid to be eligible to receive an Annual Bonus, except as set forth in Section 6.1(a). No partial or prorated bonuses will be provided. Subject to Section 6.3(b) related to payments upon certain terminations of

employment, any Annual Bonus, if earned, will be paid at the same time annual bonuses are generally paid to other similarly-situated employees of the Company. Executive's eligibility for an Annual Bonus is subject to change in the discretion of the Board (or any authorized committee thereof).

(b) **Upon Termination.** Subject to the provisions of Section 6, in the event Executive leaves the employ of the Company for any reason prior to the date the Annual Bonus is paid, Executive is not eligible to earn such Annual Bonus, prorated or otherwise.

(c) **Equity Awards.** The equity awards held by the Executive shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by the Executive (collectively, the "Equity Documents"); provided, however, and notwithstanding anything to the contrary in the Equity Documents, Section 6.3(a)(iv) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason, in either case within 12 months after a Change in Control (as defined in **Exhibit A** hereto).

**2.3 Expense Reimbursement.** The Company will reimburse Executive for reasonable business expenses in accordance with the Company's standard expense reimbursement policy, subject to any applicable payroll withholdings and deductions (if any). For the avoidance of doubt, to the extent that any reimbursements payable to Executive are subject to the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"): (a) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (b) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (c) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

**3. CONFIDENTIAL INFORMATION, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION OBLIGATIONS.** In connection with Executive's continued employment with the Company and in exchange for good and valuable consideration, Executive will continue to receive and continue to have access to the Company's confidential information and trade secrets. Accordingly, and in consideration of the benefits that Executive is eligible to receive under this Agreement, Executive agrees to sign the Company's Employee Confidential Information, Inventions, Non-Solicitation and Non-Competition Agreement (the "**Confidential Information Agreement**"), attached as **Exhibit B**, which contains restrictive covenants and prohibits unauthorized use or disclosure of the Company's confidential information and trade secrets, among other obligations. The Confidential Information Agreement contains provisions that are intended by the parties to survive and do survive termination or expiration of this Agreement and will supersede, prospectively only, the agreement that Executive previously signed relating to the same subject matter.

**4. OUTSIDE ACTIVITIES.** Except with the prior written consent of the Board, Executive will not, while employed by the Company, undertake or engage in any other employment, occupation, or business enterprise that would interfere with Executive's responsibilities and the performance of Executive's duties hereunder except for (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit, and/or other charitable organization as Executive may wish to serve, (ii) reasonable time devoted to activities in the non-profit and business communities consistent with Executive's position with the Company, (iii) reasonable time serving as trustee, director, or advisor to any family companies or trusts, or (iv) with prior written notice to the

Board, reasonable time devoted to service as a member of the board of directors (or its equivalent in the case of a non-corporate entity) of a non-competing business; so long as the activities set forth in clauses (i), (ii), (iii), and (iv) (A) do not, individually or in the aggregate, interfere with the performance of the Executive's duties under this Agreement, (B) are not contrary to the interests of the Company or its Affiliates or competitive in any way with the Company its Affiliates or (C) are not in the field of constrained peptide drugs or therapeutics (including, without limitation, any work in the field of lead peptide identification and optimization and pre-clinical development of constrained peptide therapeutics). In addition, the activities set forth in clauses (i), (ii), (iii), and (iv) may not exceed, in the aggregate, 6 days of Executive's services per year, which permitted time commitment may be increased by the Board, in its discretion which shall not be unreasonably withheld, to up to 12 days per year where a new specific opportunity has been identified by Executive which would give Executive experience that is considered to be of wider benefit to the Company. This restriction shall not, however, preclude Executive from (x) owning less than one percent (1%) of the total outstanding shares of a publicly traded company, (y) managing Executive's passive personal investments, or (z) employment or service in any capacity with Affiliates of the Company. As used in this Agreement, "*Affiliates*" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Securities Act of 1933, as amended. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

**5. NO CONFLICT WITH EXISTING OBLIGATIONS.** Executive represents that Executive's performance of all the terms of this Agreement and continued service as an employee of the Company do not and will not breach any agreement or obligation of any kind made prior to Executive's employment by the Company, including agreements or obligations Executive may have with prior employers or entities for which Executive has provided services. Executive has not entered into, and Executive agrees that Executive will not enter into, any agreement or obligation, either written or oral, in conflict herewith or with Executive's duties to the Company.

**6. TERMINATION OF EMPLOYMENT.** The parties acknowledge that Executive's employment relationship with the Company continues to be at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause (as defined below) or advance notice. The provisions in this Section govern the amount of compensation, if any, to be provided to Executive upon termination of employment and do not alter this at-will status.

**6.1 Termination by Virtue of Death or Disability of Executive**

(a) In the event of Executive's death while employed pursuant to this Agreement, all obligations of the parties hereunder and Executive's employment shall terminate immediately, and the Company shall, pursuant to the Company's standard payroll policies and applicable law, pay to Executive's legal representatives the Accrued Obligations (as defined in Section 6.2(d) below) due to Executive, along with any Special Bonus Payment (as that term is defined below).

(b) Subject to applicable state and federal law, the Company shall at all times have the right, upon written notice to Executive, to terminate this Agreement based on Executive's Disability (as defined below). Termination by the Company of Executive's employment

based on “**Disability**” shall mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of Executive’s position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. In the event Executive’s employment is terminated based on Executive’s Disability, Executive will be entitled to the Accrued Obligations due to Executive, along with any Special Bonus Payment (as that term is defined below).

(c) If the Executive’s termination due to death or Disability occurs between January 1 and the payment date of the Annual Bonus that Executive would have otherwise earned for performance in the calendar year preceding the termination due to death or Disability, then and only then will Executive be paid the full Annual Bonus amount that Executive would have otherwise earned for performance in such preceding calendar year (the “**Special Bonus Payment**”).

## **6.2 Termination by the Company or Resignation by Executive**

(a) The Company shall have the right to terminate Executive’s employment pursuant to this Section 6.2 at any time (subject to any applicable cure period stated in Section 6.2(f)) with or without Cause or advance notice, by giving notice as described in Section 7.1 of this Agreement. Likewise, Executive can resign from employment with or without Good Reason, by giving notice as described in Section 7.1 of this Agreement. Executive hereby agrees to comply with the additional notice requirements set forth in Section 6.2(e) below for any resignation for Good Reason. If Executive is terminated by the Company (with or without Cause) or resigns from employment with the Company (with or without Good Reason), then Executive shall be entitled to the Accrued Obligations (as defined below). In addition, if Executive is terminated without Cause or resigns for Good Reason, and provided that such termination constitutes a “separation from service” (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a “**Separation from Service**”), and further provided that Executive executes and allows to become effective a separation agreement that includes, among other terms, a general release of claims in favor of the Company and its Affiliates and representatives and a non-competition clause, in the form presented by the Company (the “**Separation Agreement**”), and subject to Section 6.2(b) (the date that the general release of claims in the Separation Agreement becomes effective and may no longer be revoked by Executive is referred to as the “**Release Date**”), then Executive shall be eligible to receive the following severance benefits (collectively the “**Non-CIC Severance Benefits**”):

(i) An amount equal to nine (9) months of Executive’s then current Base Salary, less standard payroll deductions and withholdings, paid in installments on the Company’s regular payroll dates; and

(ii) Provided Executive or Executive’s covered dependents, as the case may be, timely elects continued coverage under COBRA under the Company’s group health plans following such termination, the portion of the COBRA premiums which is equal to the cost of the coverage that the Company was paying as of the date of termination, to continue Executive’s (and Executive’s covered dependents, as applicable) health insurance coverage in effect on the termination date until the earliest of: (1) nine (9) months following

the termination date; (2) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (3) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (1)-(3), (the "**COBRA Payment Period**"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying COBRA premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, for the remainder of the COBRA Payment Period. Nothing in this Agreement shall deprive Executive of Executive's rights under COBRA or ERISA for benefits under plans and policies arising under Executive's employment by the Company.

(b) Executive shall not receive the Non-CIC Severance Benefits pursuant to Section 6.2(a) unless Executive executes the Separation Agreement within the consideration period specified therein, which shall in no event be more than forty-five (45) days, and until the Separation Agreement becomes effective and can no longer be revoked by Executive under its terms. Executive's ability to receive benefits pursuant to Section 6.2(a) is further conditioned upon Executive: (i) returning all Company property; (ii) complying with Executive's post-termination obligations under this Agreement and the Confidential Information Agreement; (iii) complying with the Separation Agreement, including without limitation any non-disparagement, non-competition, and confidentiality provisions contained therein; and (iv) resignation from any other positions Executive holds with the Company, effective no later than Executive's date of termination (or such other date as requested by the Board).

(c) The Company will not make any payments to Executive with respect to any of the benefits pursuant to Section 6.2(a) prior to the 60th day following Executive's date of termination. On the first payroll date after the 60th day following Executive's date of termination, and provided that Executive has delivered an effective Separation Agreement, the Company will make the first payment to Executive under Section 6.2(a)(i) and, in a lump sum, an amount equal to the aggregate amount of payments that the Company would have paid Executive through such date had the payments commenced on Executive's date of termination through such 60th day, with the balance of the payments paid thereafter on the schedule described above, subject to any delay in payment required by Section 6.6.

(d) For purposes of this Agreement, "**Accrued Obligations**" are (i) Executive's accrued but unpaid salary through the date of termination and, if required by applicable law and the Company's applicable policy as of the time of termination, any accrued but unused vacation through the date of termination (both of which, for purpose of clarity, shall be paid in cash), (ii) any unreimbursed business expenses incurred by Executive payable in accordance with the Company's standard expense reimbursement policies, and (iii) benefits owed to Executive under any qualified retirement plan or health and welfare benefit plan in which Executive was a participant in accordance with applicable law and the provisions of such plan.

(e) For purposes of this Agreement, “**Good Reason**” means any of the following actions taken by the Company without Executive’s express prior written consent: (i) a material reduction by the Company of Executive’s Base Salary (other than in a broad based reduction similarly affecting all other members of the Company’s executive management); (ii) the relocation of Executive’s principal place of employment, without Executive’s consent, to a place that increases Executive’s one-way commute by more than fifty (50) miles as compared to Executive’s then-current principal place of employment immediately prior to such relocation; or (iii) a material reduction in Executive’s duties, authority, or responsibilities for the Company relative to Executive’s duties, authority, or responsibilities in effect immediately prior to such reduction; provided, however, that, any such termination by Executive shall only be deemed for Good Reason pursuant to this definition if: (1) Executive gives the Company written notice of Executive’s intent to terminate for Good Reason within thirty (30) days following Executive’s learning of the occurrence of the condition(s) that Executive believes constitute(s) Good Reason, which notice shall describe such condition(s); (2) the Company fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the “**Cure Period**”); and (3) Executive voluntarily terminates Executive’s employment within thirty (30) days following the end of the Cure Period.

(f) For purposes of this Agreement, “**Cause**” means (i) a material breach of any covenant or condition under this Agreement or any other agreement between the parties; (ii) any act constituting dishonesty, fraud, immoral or disreputable conduct which is reasonably likely to cause harm (including reputational harm) to the Company; (iii) any conduct which constitutes a felony under applicable law; (iv) material violation of any Company policy (including but not limited to Company policies preventing harassment), after the expiration of thirty (30) days without cure after written notice of such violation to the extent such violation is curable; (v) refusal to follow or implement a clear, lawful and reasonable directive of Company after the expiration of thirty (30) days without cure after written notice of such failure to the extent such failure is curable; (vi) gross negligence or incompetence in the performance of Executive’s duties after the expiration of thirty (30) days without cure after written notice of such failure; or (vii) breach of fiduciary duty.

(g) The benefits provided to Executive pursuant to this Section 6.2 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy, or program.

(h) Any damages caused by the termination of Executive’s employment without Cause or for Good Reason would be difficult to ascertain; therefore, the Non-CIC Severance Benefits for which Executive is eligible pursuant to Section 6.2(a) above in exchange for the Separation Agreement is agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

(i) If the Company terminates Executive’s employment for Cause, or Executive resigns from employment with the Company without Good Reason, regardless of whether or not such termination is in connection with a Change in Control, then Executive shall be entitled to the Accrued Obligations, but Executive will not receive the Non-CIC Severance Benefits, the CIC Severance Benefits, or any other severance compensation or benefit.



**6.3 Resignation by Executive for Good Reason or Termination by the Company without Cause (in connection with a Change in Control).**

**(a)** In the event that the Company terminates Executive's employment without Cause or Executive resigns for Good Reason within twelve (12) months following the effective date of a Change in Control ("**Change in Control Termination Date**"), then Executive shall be entitled to the Accrued Obligations and, subject to Executive's compliance with Section 6.2(b) above, Executive shall be eligible to receive the following severance benefits (collectively the "**CIC Severance Benefits**"), subject to the terms and conditions set forth in Section 6.3(b):

**(i)** An amount equal to twelve (12) months of Executive's then current Base Salary, less standard payroll deductions and withholdings, paid in installments on the Company's regular payroll dates; and

**(ii)** Provided Executive or Executive's covered dependents, as the case may be, timely elects continued coverage under COBRA under the Company's group health plans following such termination, the portion of the COBRA premiums which is equal to the cost of the coverage that the Company was paying as of the date of termination, to continue Executive's (and Executive's covered dependents, as applicable) health insurance coverage in effect on the termination date until the earliest of: (1) twelve (12) months following the termination date; (2) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (3) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (1)-(3), (the "**CIC COBRA Payment Period**"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying COBRA premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the CIC COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, for the remainder of the CIC COBRA Payment Period. Nothing in this Agreement shall deprive Executive of Executive's rights under COBRA or ERISA for benefits under plans and policies arising under Executive's employment by the Company;

**(iii)** A lump sum cash payment in an amount equal to the full Annual Bonus calculated at the Target Percentage for the year in which the termination occurs, subject to standard payroll deductions and withholdings; and

**(iv)** Effective as of Executive's Change in Control Termination Date (and notwithstanding anything to the contrary in the applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards), the vesting and exercisability of all outstanding equity awards held by Executive immediately prior to the Change in Control Termination Date shall be accelerated in full, and otherwise shall be administered in accordance with the applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards.

(b) The Company will not make any payments to Executive with respect to any of the benefits pursuant to Section 6.3(a) prior to the 60th day following Executive's date of termination. On the first payroll date after the 60th day following Executive's date of termination, and provided that Executive has delivered an effective Separation Agreement, the Company will (i) make the first payment to Executive under Section 6.2(a)(i) and, in a lump sum, an amount equal to the aggregate amount of payments that the Company would have paid Executive through such date had the payments commenced on Executive's date of termination through such 60th day, with the balance of the payments paid thereafter on the schedule described above; and (ii) make the lump sum payment specified in Section 6.3(a)(iii) that has not yet been made due to this Section 6.3(b), in the cases of (i) and (ii) subject to any delay in payment required by Section 6.6.

(c) The benefits provided to Executive pursuant to this Section 6.3 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy, or program. For avoidance of doubt, Executive shall not be eligible for both CIC Severance and Non-CIC Severance.

(d) Any damages caused by the termination of Executive's employment without Cause or for Good Reason in connection with a Change in Control would be difficult to ascertain; therefore, the CIC Severance Benefits for which Executive is eligible pursuant to Section 6.3(a) above in exchange for the Separation Agreement is agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

**6.4 Cooperation With the Company After Termination of Employment** Following termination of Executive's employment for any reason, Executive shall reasonably cooperate with the Company in all matters relating to the winding up of Executive's pending work including, but not limited to, any litigation in which the Company is involved, and the orderly transfer of any such pending work to such other executives as may be designated by the Company; provided, that the Company agrees that the Company (a) shall make reasonable efforts to minimize disruption of Executive's other activities, and (b) shall reimburse Executive for all reasonable expenses incurred in connection with such cooperation.

**6.5 Effect of Termination.** Executive agrees that should Executive's employment be terminated for any reason, Executive shall be deemed to have resigned from any and all positions with the Company, including, but not limited to, a position on the Board and all positions with any and all subsidiaries and Affiliates of the Company.

**6.6 Application of Section 409A.**

(a) It is intended that all of the compensation payable under this Agreement, to the greatest extent possible, either complies with the requirements of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively, "**Section 409A**") or satisfies one or more of the exemptions from the application of Section 409A, and this Agreement will be construed in a manner consistent with such intention, incorporating by reference all required definitions and payment terms.

(b) No severance payments will be made under this Agreement unless Executive's termination of employment constitutes a Separation from Service. For purposes of

Section 409A (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement (whether severance payments or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

(c) To the extent that any severance payments are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, to the extent required to comply with Section 409A, if the period during which Executive may consider and sign the Separation Agreement spans two calendar years, the severance payments will not begin until the second calendar year. If the Company determines that the severance benefits provided under this Agreement constitutes "deferred compensation" under Section 409A and if Executive is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i) of the Code at the time of Executive's Separation from Service, then, solely to the extent necessary to avoid the incurrance of the adverse personal tax consequences under Section 409A, the timing of the severance will be delayed as follows: on the earlier to occur of (a) the date that is six months and one day after Executive's Separation from Service, and (b) the date of Executive's death, the Company will: (i) pay to Executive a lump sum amount equal to the sum of the severance benefits that Executive would otherwise have received if the commencement of the payment of the severance benefits had not been delayed pursuant to this Section 6.6(c); and (ii) commence paying the balance of the severance benefits in accordance with the applicable payment schedule set forth in Sections 6.2 and 6.3. No interest shall be due on any amounts deferred pursuant to this Section 6.6(c).

(d) To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that compensation paid pursuant to the terms of this Agreement will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment.

#### **6.7 Excise Tax Adjustment.**

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment provided pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of

the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

(b) Notwithstanding any provision of this Section 6.7 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 6.7. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(d) If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 6.7(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 6.7(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 6.7(a), Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

## 7. GENERAL PROVISIONS.

7.1 Notices. Any notices required hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally

recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll or (if notice is given prior to Executive's termination of employment) to Executive's Company-issued email address, or at such other address as the Company or Executive may designate by ten (10) days' advance written notice to the other.

**7.2 Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provisions had never been contained herein.

**7.3 Waiver.** If either party should waive any breach of any provisions of this Agreement, Executive or the Company shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**7.4 Complete Agreement.** This Agreement (including Exhibits A and B), and any other separate agreement relating to equity awards constitute the entire agreement between Executive and the Company with regard to the subject matter hereof and supersede any prior oral discussions or written communications and agreements, including the Prior Agreements. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in writing signed by Executive and an authorized officer of the Company.

**7.5 Counterparts.** This Agreement may be executed by electronic transmission and in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

**7.6 Headings.** The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

**7.7 Successors and Assigns.** The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to Executive's estate upon Executive's death.

**7.8 Choice of Law.** All questions concerning the construction, validity, and interpretation of this Agreement will be governed by the laws of the Commonwealth of Massachusetts.

**7.9 Resolution of Disputes.** To ensure the timely and economical resolution of disputes that may arise in connection with Executive's employment with the Company, Executive and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, or Executive's employment, or the termination of Executive's employment, including but not limited to all statutory claims, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration by a single arbitrator conducted in Boston, Massachusetts by Judicial Arbitration and Mediation Services Inc. ("JAMS") under the then applicable JAMS rules (at the following web address: <https://www.jamsadr.com/rules-employment-arbitration/>); provided, however, this arbitration provision shall not apply to sexual harassment claims to the extent prohibited by applicable law. A hard copy of the rules will be provided to Executive upon request. **By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** In addition, all claims, disputes, or causes of action under this provision, whether by Executive or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. The Company acknowledges that Executive will have the right to be represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award; (c) be authorized to award any or all remedies that Executive or the Company would be entitled to seek in a court of law; and (d) is authorized to award attorneys' fees to the prevailing party. Subject to the foregoing sentence, the Company shall bear all JAMS' arbitration fees, and each party is responsible for its own attorneys' fees. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction. To the extent applicable law prohibits mandatory arbitration of sexual harassment claims, in the event Executive intends to bring multiple claims, including a sexual harassment claim, the sexual harassment claim may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Employment Agreement on the day and year first written above.

BICYCLE THERAPEUTICS INC.

By: /s/ Travis Thompson

Name: Travis Thompson

Title: Secretary

EXECUTIVE:

/s/ Lee Kalowski

Lee Kalowski

**Exhibit A**

**CHANGE IN CONTROL**

“**Change in Control**” means and includes each of the following:

- (a) a Sale; or
- (b) a Takeover.

The Compensation Committee of the Board of BTL shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any such Change in Control also qualifies as a “change in control event” as defined in Section 409A of the United States Internal Revenue Code of 1986, as amended and the regulations and other guidance thereunder and any state law of similar effect, and any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” is consistent with such regulation.

“**Control**” shall have the meaning given to that word by Section 719 of the UK Income Tax (Earnings and Pensions) Act 2003 and “**Controlled**” shall be construed accordingly.

“**Sale**” means the sale of all or substantially all of the assets of BTL.

“**Takeover**” means circumstances in which any person (or a group of persons acting in concert) (the “**Acquiring Person**”):

- (a) obtains Control of BTL as the result of making a general offer to:-
    - i. acquire all of the issued ordinary share capital of BTL, which is made on a condition that, if it is satisfied, the Acquiring Person will have Control of BTL; or
    - ii. acquire all of the shares in BTL; or
  - (b) obtains Control of BTL as a result of a compromise or arrangement sanctioned by a court under Section 899 of the UK Companies Act 2006, or sanctioned under any other similar law of another jurisdiction; or
  - (c) becomes bound or entitled under Sections 979 to 985 of the UK Companies Act 2006 (or similar law of another jurisdiction) to acquire shares in BTL or
  - (d) obtains Control of BTL in any other way, including but not limited to by way of a merger.
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**Exhibit B**

**EMPLOYEE CONFIDENTIAL INFORMATION, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION AGREEMENT**