

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 23, 2023

TOURMALINE BIO, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40384
(Commission
File Number)

83-2377352
(IRS Employer
Identification No.)

27 West 24th Street, Suite 702
New York, NY
(Address of principal executive offices)

10010
(Zip Code)

Registrant's telephone number, including area code: (646) 481-9832

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001 per share	TRML	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Executive Severance and Change in Control Plan

On October 23, 2023, the Compensation Committee (the “**Compensation Committee**”) of the Board of Directors (the “**Board**”) of Tourmaline Bio, Inc. (the “**Company**”) approved and adopted the Tourmaline Bio, Inc. Executive Severance and Change in Control Plan (the “**Severance Plan**”), pursuant to which the Company’s executive officers and other key employees entered into participation agreements under the Severance Plan.

Pursuant to the Severance Plan and the participation agreements thereunder, if, within the 3 month period prior to or the 12 month period following a “change in control” (as defined in the Severance Plan), the Company terminates the employment of the applicable executive without “cause” (excluding death or disability) or such executive resigns for “good reason” (each, as defined in the Severance Plan) and within no more than 60 days of such termination the executive executes and does not revoke a separation agreement and release of claims, such executive will be entitled to receive (i) a lump sum payment equal to the sum of (a) 18 months of then current annual base salary with respect to Sandeep Kulkarni, the Company’s Chief Executive Officer and principal executive officer, 12 months of then current annual base salary with respect to Susan Dana Jones, the Company’s Chief Technology Officer, and 12 months of then current annual base salary with respect to Brad Middlekauff, the Company’s Chief Business Officer and General Counsel, and (b) 150% with respect to Dr. Kulkarni’s and 100% with respect to Dr. Jones’ and Mr. Middlekauff’s annual target bonus, less applicable withholdings, (ii) payment of premiums to maintain group health insurance continuation benefits pursuant to COBRA for such executive and such executive’s respective eligible dependents for up to 18 months with respect to Dr. Kulkarni and 12 months with respect to Dr. Jones and Mr. Middlekauff, and (iii) vesting acceleration as to 100% of the then-unvested shares subject to each of such executive’s then outstanding equity awards (and in the case of awards subject to performance-based vesting conditions, such performance-based awards shall vest as specified in the applicable award agreement governing such award).

Pursuant to the Severance Plan and the participation agreements thereunder, if, outside of the 3 month period prior to or the 12 month period following a “change in control”, the Company terminates the employment of the applicable executive without “cause” (excluding death or disability) or such executive resigns for “good reason” and within 60 days of such termination the executive executes and does not revoke a separation agreement and release of claims, such executive will be entitled to receive (i) continuing payments of his or her then current annual base salary for a period of 12 months with respect to Dr. Kulkarni and Mr. Middlekauff and 9 months with respect to Dr. Jones, and (ii) payment of premiums to maintain group health insurance continuation benefits pursuant to COBRA for such executive and such executive’s respective eligible dependents for up to 12 months with respect to Dr. Kulkarni and Mr. Middlekauff and 9 months with respect to Dr. Jones.

In addition, pursuant to Dr. Jones’ and Mr. Middlekauff’s individual participation agreements, any single-trigger vesting acceleration applicable to the option grant (the “**Option Grant**”) provided, in the case of Dr. Jones, in the Offer Letter, by and between Dr. Jones and Tourmaline Sub, Inc., a wholly owned subsidiary of the Company formerly known as Tourmaline Bio, Inc. (“**Legacy Tourmaline**”), dated as of April 27, 2022, and in the case of Mr. Middlekauff, in the Executive Employment Agreement, by and between Mr. Middlekauff and Legacy Tourmaline, dated as of May 30, 2022, will not be superseded by their participation in the Severance Plan, and such single trigger acceleration shall continue to apply to each of Dr. Jones’ and Mr. Middlekauff’s Option Grant.

Pursuant to the Severance Plan, in the event any payment to the applicable executive would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended (the “**Code**”), as a result of a payment being classified as a parachute payment under Section 280G of the Code, such executive will receive such payment as would entitle such executive to receive the greatest after-tax benefit, even if it means that the Company pays such executive a lower aggregate payment so as to minimize or eliminate the potential excise tax imposed by Section 4999 of the Code.

In addition to Drs. Kulkarni and Jones and Mr. Middlekauff's, participation in the Severance Plan, pursuant to the terms of each executive's confirmatory offer letter, each executive will be entitled to other severance benefits in the event the executive's employment with the Company terminates as a result of the executive's death or disability.

The foregoing description of the Severance Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Severance Plan and related participation agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Non-Employee Director Compensation Policy

On October 23, 2023, the Compensation Committee approved and adopted a non-employee director compensation policy (the "**Director Compensation Policy**").

Pursuant to the Director Compensation Policy, each member of the Board who is not also serving as an employee of or consultant to the Company or any of its subsidiaries (each, an "**Eligible Director**") is eligible to receive annual cash retainers for his or her service on the Board and the Board's committees, as follows:

Annual Board Service Retainer:

- a. All Eligible Directors: \$40,000
- b. Additional Retainer for Non-Executive Chair: \$30,000

Annual Committee Chair Service Retainer:

- a. Chair of the Audit Committee: \$15,000
- b. Chair of the Compensation Committee: \$12,000
- c. Chair of the Nominating and Corporate Governance Committee: \$8,000

Annual Committee Member Service Retainer (not applicable to Committee Chairs):

- a. Member of the Audit Committee: \$7,500
- b. Member of the Compensation Committee: \$6,000
- c. Member of the Nominating and Corporate Governance Committee: \$4,000

All cash retainers will be earned on a quarterly basis based on a calendar quarter and, if applicable, will be prorated for the portion of the calendar quarter during which such Eligible Director actually serves on the Board or a committee thereof, and will be paid in arrears on the last day of each fiscal quarter in which the service occurred.

In addition to cash retainers, in connection with the previously announced merger transaction (the "**Merger**") in accordance with the terms of the Agreement and Plan of Merger, dated as of June 22, 2023, by and among the Company, Legacy Tourmaline and Terrain Merger Sub, Inc., and pursuant to the Director Compensation Policy, each Eligible Director other than Cariad Chester (who declined such grant he would otherwise have been entitled to under the terms of the Director Compensation Policy) who previously served as a member of the Board of Directors of Legacy Tourmaline, as of immediately prior to the effective time of the Merger, received a stock option to purchase 10,000 shares of common stock of the Company (the "**Legacy Tourmaline Grants**"), and each Eligible Director who previously served as a member of the Board of the Company, as of immediately prior to the effective time of the Merger, received a stock option to purchase 20,000 shares of common stock of the Company (the "**Talaris Grants**"), each effective October 23, 2023 and pursuant to the Tourmaline Bio, Inc. 2023 Equity Incentive Plan (the "**Plan**"). The shares subject to each Legacy Tourmaline Grant will cliff vest upon the earlier of (x) the first anniversary of the date of grant and (y) the Annual Meeting (as defined below) that immediately follows the date of grant, subject to the Eligible Director's Continuous Service (as defined in the Plan) through the vesting date. The shares subject to each Talaris Grant will vest in substantially equal monthly installments over the three-year period following the date of grant such that the Talaris Grant is fully vested on the third anniversary of the date of grant, subject to the Eligible Director's Continuous Service through each such date. The Legacy Tourmaline Grants and Talaris Grants will vest in full upon a Change in Control (as defined in the Plan). Each recipient of a Legacy Tourmaline Grant or Talaris Grant will not be eligible for an Initial Grant (as defined below).

The Director Compensation Policy also provides that for each Eligible Director who is first elected or appointed to the Board following October 23, 2023, on the date of such Eligible Director's initial election or appointment to the Board (or, if such date is not a market trading day, the first market trading day thereafter), the Eligible Director will automatically, and without further action by the Board or the Compensation Committee, be granted a stock option to purchase 20,000 shares of common stock of the Company (the "**Initial Grant**"). The shares subject to each Initial Grant will vest in substantially equal monthly installments over the three-year period following the date of grant such that the Initial Grant is fully vested on the third anniversary of the date of grant, subject to the Eligible Director's Continuous Service (as defined in the Plan) through each such vesting date. The Initial Grant will vest in full upon a Change in Control (as defined in the Plan) of the Company.

In addition, on the date of each annual stockholder meeting of the Company held after October 23, 2023 (each, an "**Annual Meeting**"), each Eligible Director who continues to serve as a non-employee member of the Board following such Annual Meeting will automatically, and without further action by the Board or the Compensation Committee, be granted a stock option to purchase 10,000 shares of common stock of the Company (the "**Annual Grant**"). If an Eligible Director was elected or appointed for the first time to be an Eligible Director after October 23, 2023 and prior to an Annual Meeting, then, on the date of the first Annual Meeting following such election or appointment and in addition to the Annual Grant, and without further action by the Board or the Compensation Committee, the Eligible Director will be granted a prorated Annual Grant (the "**Prorated Annual Grant**") to purchase the number of shares of common stock of the Company equal to 10,000 multiplied by a fraction (the numerator of which is equal to (i) 12 minus (ii) the number of completed months since the most recent Annual Meeting that occurred prior to the Eligible Director's date of election or appointment, and the denominator of which is 12), with the resulting number of shares rounded down to the nearest whole share. The shares subject to the Annual Grant and Prorated Annual Grant shall cliff vest upon the earlier of (x) the first anniversary of the date of grant and (y) the Annual Meeting that immediately follows the date of grant, subject to the Eligible Director's Continuous Service (as defined in the Plan) through the vesting date. The Annual Grant and Prorated Annual Grant will vest in full upon a Change in Control (as defined in the Plan).

Notwithstanding the foregoing, under the Director Compensation Policy, the aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director (as defined in the Plan) shall in no event exceed the limits set forth in Section 3(d) of the Plan or the corresponding provision of any successor plan.

The above description of the Director Compensation Policy does not purport to be complete and is qualified in its entirety by reference to the full text of the Director Compensation Policy, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Interim Chief Financial Officer Equity Grant

In connection with the closing of the Merger, the Compensation Committee approved certain option grants to employees of the Company, including Ryan Robinson, Interim Chief Financial Officer, Vice President, Finance and Controller and principal financial and accounting officer of the Company. As a result, on October 23, 2023, Mr. Robinson received an option grant to purchase 16,000 shares of common stock of the Company, with an exercise price equal to \$9.46, representing the closing price per share of the Company's common stock as reported on The Nasdaq Global Market on such date. 25% of the shares subject to the option grant will vest one year following the date of grant, and the balance will vest in equal monthly installments thereafter over the next 36 months, subject to Mr. Robinson's Continuous Service (as defined in the Plan) through the applicable vesting date.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1#	Tourmaline Bio, Inc. Executive Severance and Change in Control Plan and Form of Participation Agreement.
10.2#	Non-Employee Director Compensation Policy.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Indicates a management contract or any compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TOURMALINE BIO, INC.

Date: October 27, 2023

By: /s/ Sandeep Kulkarni
Name: Sandeep Kulkarni
Title: Chief Executive Officer

TOURMALINE BIO, INC.
EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN
EFFECTIVE DATE: OCTOBER 23, 2023

Section 1. INTRODUCTION.

The Tourmaline Bio, Inc. Executive Severance and Change in Control Plan (the “**Plan**”) is hereby established by the Board of Directors of Tourmaline Bio, Inc. (the “**Company**”) effective upon the Effective Date as set forth above. The purpose of the Plan is to provide for the payment of severance and/or Change in Control (as defined below) benefits to eligible employees of a Company Group Entity (as defined below). This Plan document also is the Summary Plan Description for the Plan.

For purposes of the Plan, the following terms are defined as follows:

(a) “Affiliate” means any corporation (other than the Company) in an “unbroken chain of corporations” beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(b) “Base Salary” means base pay (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect prior to any reduction that would give rise to an employee’s right to a resignation for Good Reason (if applicable).

(c) “Cause” means that a Company Group Entity, acting in good faith based upon the information then known to the Company Group Entity, determines that an Eligible Employee (as defined below) has: (a) willfully failed to perform the Eligible Employee’s material duties (other than any such failure resulting from the Eligible Employee’s incapacity due to physical or mental illness); (b) willfully failed to comply with any valid and legal directive of the Board of Directors of the Company or its designee; (c) engaged in dishonesty, illegal conduct or misconduct, which is, in each case, materially injurious to the Company Group or a Company Group Entity; (d) embezzled, misappropriated funds or other assets or committed fraud, whether or not related to the Eligible Employee’s employment with the Company Group Entity; (e) been convicted of or pleaded guilty or nolo contendere in respect of any crime that constitutes a felony (or state law equivalent) or any other crime that constitutes a misdemeanor involving moral turpitude, whether or not related to the Eligible Employee’s employment with the Company Group Entity; (f) willfully violated a material policy of the Company Group Entity; (g) demonstrated habitual absenteeism (other than due to the Eligible Employee’s physical or mental illness or reasonable accommodation due to such illness); and/or (h) materially breached any material obligation under this Plan, the Eligible Employee’s offer letter or employment agreement, as applicable, or the Eligible Employee’s Employee Confidential Information and Inventions Assignment Agreement.

(d) “Change in Control” has the meaning ascribed to such term in the Equity Plan.

(e) “**Change in Control Period**” means the period commencing three months prior to the Closing of a Change in Control and ending 12 months following the Closing of a Change in Control.

(f) “**Closing**” means the initial closing of the Change in Control as defined in the definitive agreement executed in connection with the Change in Control. In the case of a series of transactions constituting a Change in Control, “Closing” means the first closing that satisfies the threshold of the definition for a Change in Control.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(h) “**Committee**” means the Board of Directors or the Compensation Committee of the Board of Directors of the Company.

(i) “**Company**” means Tourmaline Bio, Inc. or, following a Change in Control, the surviving entity resulting from such event.

(j) “**Company Group**” means the Company and its Affiliates.

(k) “**Company Group Entity**” means an entity in the Company Group.

(l) “**Confidentiality Agreement**” means the Company Group’s standard form of Employee Confidential Information and Inventions Assignment Agreement or any similar or successor document.

(m) “**Covered Termination**” means, with respect to an Eligible Employee, except as otherwise provided in an individual Participation Agreement, a termination of employment by the Company Group without Cause (and other than as a result of the employee’s death or Disability) or as a result of the Eligible Employee’s resignation for Good Reason, that, in either case, results in such employee’s Separation from Service. For clarity, your death or Disability or your resignation without Good Reason, shall not constitute a Covered Termination.

(n) “**Disability**” means any physical or mental condition which renders an employee incapable of performing the work for which the employee was employed by a Company Group Entity or similar work offered by the Company Group Entity 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.

(o) “**Eligible Employee**” means an employee of a Company Group Entity who meets the requirements to be eligible to receive Plan benefits as set forth in Section 2.

(p) “**Equity Plan**” means the Tourmaline Bio, Inc. 2023 Equity Incentive Plan, as amended from time to time, or any successor plan thereto.

(q) “**Good Reason**” for an employee’s resignation means the occurrence of any of the following undertaken by a Company Group Entity without the employee’s written consent:

(1) a material reduction in a such employee’s base salary, other than as part of a similar reduction in the base salaries of all similarly situated employees of the Company Group Entity;

(2) any material breach by the Company Group of any material provision of this Plan or any material provision of any other agreement between the employee and the applicable Company Group Entity;

(3) a material, adverse change in employee’s title, authority, duties, responsibilities or reporting relationship (other than temporarily while employee is physically or mentally incapacitated as a result of Disability or as required by applicable law); or

(4) the relocation of employee’s principal place of employment by thirty-five (35) or more miles from employee’s then-current principal place of employment.

Notwithstanding the foregoing, in order for the employee’s resignation to be deemed to have been for Good Reason, the employee must (a) provide written notice to the Company Group of such employee’s intent to resign for Good Reason within 30 days after the first occurrence of the event giving rise to Good Reason, which notice shall describe the event(s) the employee believes give rise to Good Reason; (b) allow the applicable Company Group Entity at least 30 days from receipt of the written notice to cure the event (such period, the “**Cure Period**”), and (c) if the event is not reasonably cured within the Cure Period, the employee’s resignation from all positions held with the Company Group is effective not later than 30 days after the expiration of the Cure Period.

(r) “**Participation Agreement**” means an agreement between an employee and the Company in substantially the form of **APPENDIX A** attached hereto, and which may include such other terms as the Committee deems necessary or advisable in the administration of the Plan.

(s) “**Plan Administrator**” means the Committee prior to the Closing and the Representative upon and following the Closing, as applicable.

(t) “**Representative**” means one or more members of the Committee or other persons or entities designated by the Committee prior to or in connection with a Change in Control that will have authority to administer and interpret the Plan upon and following the Closing as provided in Section 9(a).

(u) “**Section 409A**” means Section 409A of the Code and the treasury regulations and other guidance thereunder and any state law of similar effect.

(v) “**Separation from Service**” means a “separation from service” within the meaning of Treasury Regulations Section 1.409A-1(h), without regard to any alternative definition thereunder.

Section 2. ELIGIBILITY FOR BENEFITS.

(a) Eligible Employee. An employee of a Company Group Entity is eligible to participate in the Plan if (i) the Plan Administrator has designated such employee as eligible to participate in the Plan by providing such employee a Participation Agreement; (ii) such employee has signed and returned such Participation Agreement to the Company Group within the time period required therein; (iii) such employee has executed and returned the Confidentiality Agreement to the Company Group; and (iv) such employee meets the other Plan eligibility requirements set forth in this Section 2 and in the Participation Agreement. The determination of whether an employee is an Eligible Employee shall be made by the Plan Administrator, in its sole discretion, and such determination shall be binding and conclusive on all persons.

(b) Release Requirement. Except as otherwise provided in an individual Participation Agreement, in order to be eligible to receive benefits under the Plan, the Eligible Employee also must execute a separation agreement containing, among other provisions, a general waiver and release of all claims in favor of the Company Group, in such a form as provided by the Company Group (the "**Release**"), within the applicable time period set forth therein, and such Release must become effective in accordance with its terms, which must occur in no event more than 60 days following the date of the applicable Covered Termination.

(c) Plan Benefits Provided In Lieu of Any Previous Benefits. Except as otherwise provided in an individual Participation Agreement, this Plan shall supersede any change in control or severance benefit plan, policy or practice previously maintained by any Company Group Entity with respect to an Eligible Employee and any change in control or severance benefits in any individual employment contract or other agreement between a Company Group Entity and an Eligible Employee. Notwithstanding the foregoing, the Eligible Employee's outstanding equity awards shall remain subject to the terms of the Equity Plan or other applicable equity plan under which such awards were granted (including the award documentation governing such awards) that may apply upon a Change in Control and/or termination of such employee's service and no provision of this Plan shall be construed as to limit the actions that may be taken, or to violate the terms, thereunder.

(d) Exceptions to Severance Benefit Entitlement. An employee who otherwise is an Eligible Employee will not receive benefits under the Plan in the following circumstances, as determined by the Plan Administrator in its sole discretion:

(1) The employee is terminated by a Company Group Entity for any reason (including due to the employee's death or Disability) or voluntarily terminates employment with the Company Group Entity in any manner, and in either case, such termination does not constitute a Covered Termination. Voluntary terminations include, but are not limited to, resignation, retirement or failure to return from a leave of absence on the scheduled date.

(2) The employee voluntarily terminates employment with the Company Group Entity in order to accept employment with another entity that is wholly or partly owned (directly or indirectly) by the Company Group.

(3) The employee is offered an identical or substantially equivalent or comparable position with the same or another Company Group Entity. For purposes of the foregoing, a “substantially equivalent or comparable position” is one that provides the employee substantially the same level of responsibility and compensation and would not give rise to the employee’s right to a resignation for Good Reason.

(4) The employee is offered immediate reemployment by a successor to the Company or an Affiliate or by a purchaser of the Company’s assets, as the case may be, following a Change in Control and the terms of such reemployment would not give rise to the employee’s right to a resignation for Good Reason. For purposes of the foregoing, “immediate reemployment” means that the employee’s employment with the successor to the Company or an Affiliate or the purchaser of its assets, as the case may be, results in uninterrupted employment such that the employee does not incur a lapse in pay or benefits as a result of the change in ownership of the Company or the sale of its assets. For the avoidance of doubt, an employee who becomes immediately reemployed as described in this Section 2(d)(4) by a successor to the Company or an Affiliate or by a purchaser of the Company’s assets, as the case may be, following a Change in Control shall continue to be an Eligible Employee following the date of such reemployment.

(5) The employee is rehired by a Company Group Entity and recommences employment prior to the date severance benefits under the Plan are scheduled to commence.

(e) Termination of Severance Benefits. An Eligible Employee’s right to receive severance benefits under this Plan shall terminate immediately if, at any time prior to or during the period for which the Eligible Employee is receiving severance benefits under the Plan, the Eligible Employee:

(1) breaches any material statutory, common law, or contractual obligation to the Company Group or any Company Group Entity (including, without limitation, the contractual obligations set forth in the Release, Confidentiality Agreement and any other confidentiality, non-disclosure and developments agreement, non-competition, non-solicitation, or similar type agreement between the Eligible Employee and the Company Group or a Company Group Entity, as applicable);

(2) fails to enter into the terms of the Confidentiality Agreement; or

(3) without the prior written approval of the Plan Administrator, engages in a Prohibited Action (as defined below). In addition, if benefits under the Plan have already been paid to the Eligible Employee and the Eligible Employee subsequently engages in a Prohibited Action during the Prohibited Period (or it is determined that the Eligible Employee engaged in a Prohibited Action prior to receipt of such benefits), any benefits previously paid to the Eligible Employee shall be subject to recoupment by the Company Group on such terms and conditions as shall be determined by the Plan Administrator, in its sole discretion. The “**Prohibited Period**” shall commence on the date of the Eligible Employee’s Covered Termination and continue for the number of months corresponding to the Severance Period set forth in such Eligible Employee’s Participation Agreement. A “**Prohibited Action**” shall occur if

the Eligible Employee breaches a material provision of the Confidentiality Agreement, Release and/or any obligations of confidentiality, non-solicitation, non-disparagement, no conflicts or non-competition set forth in the Eligible Employee's employment agreement, offer letter, Release, any other written agreement between the Eligible Employee and the Company Group or a Company Group Entity, or under applicable law.

Section 3. AMOUNT OF BENEFITS.

(a) Benefits in Participation Agreement. Benefits under the Plan shall be provided to an Eligible Employee as set forth in the Participation Agreement.

(b) Additional Benefits. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide benefits to individuals who are not Eligible Employees ("**Non-Eligible Employees**") chosen by the Plan Administrator, in its sole discretion, and the provision of any such benefits to a Non-Eligible Employee shall in no way obligate the Company Group to provide such benefits to any other individual, even if similarly situated. If benefits under the Plan are provided to a Non-Eligible Employee, references in the Plan to "Eligible Employee" (and similar references) shall be deemed to refer to such Non-Eligible Employee.

(c) Certain Reductions. In addition to Section 2(e) above, the Plan Administrator, in its sole discretion, shall have the authority to reduce an Eligible Employee's severance benefits, in whole or in part, by any other severance benefits, pay and benefits provided during a period following written notice of a business closing or mass layoff, pay and benefits in lieu of such notice, or other similar benefits payable to the Eligible Employee by the Company Group that become payable in connection with the Eligible Employee's termination of employment pursuant to (i) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act or any other similar state law or (ii) any policy or practice of a Company Group Entity providing for the Eligible Employee to remain on the payroll for a limited period of time after being given notice of the termination of the Eligible Employee's employment, and the Plan Administrator shall so construe and implement the terms of the Plan. Any such reductions that Plan Administrator determines to make pursuant to this Section 3(c) shall be made such that any severance benefit under the Plan shall be reduced solely by any similar type of benefit under such legal requirement, agreement, policy or practice (*i.e.*, any cash severance benefits under the Plan shall be reduced solely by any cash payments or severance benefits under such legal requirement, agreement, policy or practice). The Plan Administrator's decision to apply such reductions to the severance benefits of one Eligible Employee and the amount of such reductions shall in no way obligate the Company to apply the same reductions in the same amounts to the severance benefits of any other Eligible Employee. In the Plan Administrator's sole discretion, such reductions may be applied on a retroactive basis, with severance benefits previously paid being re-characterized as payments pursuant to the Company's statutory obligation.

(d) Parachute Payments. If any payment or benefit an Eligible Employee will or may receive from the Company Group or otherwise (a "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 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 the Eligible Employee'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 the Eligible Employee. 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**").

Notwithstanding any provisions in this Section above 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 the Eligible Employee 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.

The Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. If the Eligible Employee receives a Payment for which the Reduced Amount was determined pursuant to clause (x) above and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Eligible Employee agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) above) 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) above, the Eligible Employee shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

Section 4. RETURN OF COMPANY PROPERTY.

An Eligible Employee will not be entitled to any severance benefit under the Plan unless and until the Eligible Employee timely returns all Company Property. For this purpose, "**Company Property**" means all paper and electronic Company Group documents (and all copies thereof) and other Company Group property which the Eligible Employee had in his or her possession or control at any time, including, but not limited to, Company Group files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, financial information, research and development information, sales and marketing information, operational and personnel information, specifications, code, software, databases, computer-recorded information, tangible

property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company Group (and all reproductions thereof in whole or in part). As a condition to receiving benefits under the Plan, an Eligible Employee must not make or retain copies, reproductions or summaries of any such Company Group documents, materials or property. However, an Eligible Employee is not required to return his or her personal copies of documents evidencing the Eligible Employee's hire, termination, compensation, benefits and stock options and any other documentation received as a stockholder of the Company.

Section 5. TIME OF PAYMENT AND FORM OF BENEFITS.

The Company reserves the right in the Participation Agreement to specify whether payments under the Plan will be paid in a single sum, in installments, or in any other form and to determine the timing of such payments. All such payments under the Plan will be subject to applicable withholding for federal, state, foreign, provincial and local taxes. All benefits provided under the Plan are intended to satisfy the requirements for an exemption from application of Section 409A to the maximum extent that an exemption is available and any ambiguities herein shall be interpreted accordingly; *provided, however*, that to the extent such an exemption is not available, the benefits provided under the Plan are intended to comply with the requirements of Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein shall be interpreted accordingly.

It is intended that (i) each installment of any benefits payable under the Plan to an Eligible Employee be regarded as a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), (ii) all payments of any such benefits under the Plan satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9)(iii), and (iii) any such benefits consisting of COBRA premiums also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v). However, if the Company determines that any severance benefits payable under the Plan constitute "deferred compensation" under Section 409A and the Eligible Employee is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i), then, solely to the extent necessary to avoid the imposition of the adverse personal tax consequences under Section 409A, (A) the timing of such severance benefit payments shall be delayed until the earlier of (1) the date that is six months and one day after the Eligible Employee's Separation from Service and (2) the date of the Eligible Employee's death (such applicable date, the "**Delayed Initial Payment Date**"), and (B) the Company shall (1) pay the Eligible Employee a lump sum amount equal to the sum of the severance benefit payments that the Eligible Employee would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the severance benefits had not been delayed pursuant to this paragraph and (2) commence paying the balance, if any, of the severance benefits in accordance with the applicable payment schedule.

In no event shall payment of any severance benefits under the Plan be made prior to an Eligible Employee's Separation from Service or prior to the effective date of the Release. If the Company determines that any severance payments or benefits provided under the Plan constitute "deferred compensation" under Section 409A, and the Eligible Employee's Separation from Service occurs at a time during the calendar year when the Release could become effective in the calendar year following the calendar year in which the Eligible Employee's Separation from Service occurs, then regardless of when the Release is returned to the Company and becomes effective, the Release will not be deemed effective, solely for purposes of the timing of payment of severance benefits under this Plan, any earlier than the latest permitted effective date (the "**Release Deadline**"). If the Company determines that any severance payments or benefits provided under the Plan constitute "deferred compensation" under Section 409A, then except to the extent that severance payments may be delayed until the Delayed Initial Payment Date pursuant to the preceding paragraph, on the first regular payroll date following the effective date of an Eligible Employee's Release, the Company shall (1) pay the Eligible Employee a lump sum amount equal to the sum of the severance benefit payments that the Eligible Employee would otherwise have received through such payroll date but for the delay in payment related to the effectiveness of the Release and (2) commence paying the balance, if any, of the severance benefits in accordance with the applicable payment schedule.

Section 6. TRANSFER AND ASSIGNMENT.

The rights and obligations of an Eligible Employee under this Plan may not be transferred or assigned without the prior written consent of the Company. This Plan shall be binding upon any entity or person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company Group without regard to whether or not such entity or person actively assumes the obligations hereunder and without regard to whether or not a Change in Control occurs.

Section 7. MITIGATION.

Except as otherwise specifically provided in the Plan, an Eligible Employee will not be required to mitigate damages or the amount of any payment provided under the Plan by seeking other employment or otherwise, nor will the amount of any payment provided for under the Plan be reduced by any compensation earned by an Eligible Employee as a result of employment by another employer or any retirement benefits received by such Eligible Employee after the date of the Eligible Employee's termination of employment with the Company Group.

Section 8. CLAWBACK; RECOVERY.

All payments and severance benefits provided under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Plan Administrator may impose such other clawback, recovery or recoupment provisions as the Plan Administrator determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of common stock of the Company or other cash or property upon the occurrence of a termination of employment for Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for Good Reason, constructive termination, or any similar term under any plan of or agreement with a Company Group Entity.

Section 9. RIGHT TO INTERPRET AND ADMINISTER PLAN; AMENDMENT AND TERMINATION.

(a) Interpretation and Administration. Prior to the Closing, the Committee shall be the Plan Administrator and shall have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Plan and to construe and interpret the Plan and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, but not limited to, the eligibility to participate in the Plan and amount of benefits paid under the Plan. The rules, interpretations, computations and other actions of the Committee shall be binding and conclusive on all persons. Upon and after the Closing, the Plan will be interpreted and administered in good faith by the Representative who shall be the Plan Administrator during such period. All actions taken by the Representative in interpreting the terms of the Plan and administering the Plan upon and after the Closing will be final and binding on all Eligible Employees. Any references in this Plan to the "Committee" or "Plan Administrator" with respect to periods following the Closing shall mean the Representative.

(b) Termination and Amendment.

(1) The Plan shall have an initial term ending on October 23, 2026, and shall automatically renew for successive three-year terms thereafter (each, a "**Renewal Term**") unless written notice of termination of the Plan is given to all employees who have a then-effective Participation Agreement at least 90 days in advance of the commencement of any such Renewal Term.

(2) The Plan Administrator reserves the right to amend or terminate this Plan at any time; *provided, however*, that any amendment or termination of the Plan will not be effective as to a particular employee who is or may be adversely impacted by such amendment or termination and has an effective Participation Agreement without the written consent of such employee, unless (i) such amendment is effective for a future Renewal Term, and (ii) written notice of such amendment given to such employee at least 90 days in advance of such Renewal Term.

(3) Notwithstanding the foregoing provisions of this Section 9(b), no termination or amendment of the Plan shall occur if the Company is in active negotiations for a transaction, that if consummated, would result in a Change in Control, unless each employee who has a then-effective Participation Agreement and who would be adversely affected by such amendment or termination provides written consent to such amendment or termination. In addition, no such amendment or termination may adversely affect the rights of an Eligible Employee whose Covered Termination occurs prior to such amendment or termination, without the written consent of such Eligible Employee.

Section 10. NO IMPLIED EMPLOYMENT CONTRACT.

The Plan shall not be deemed (i) to give any employee or other person any right to be retained in the employ of a Company Group Entity or (ii) to interfere with the right of any Company Group Entity to discharge any employee or other person at any time, with or without cause, which right is hereby reserved. This Plan does not modify the at-will employment status of any Eligible Employee.

Section 11. LEGAL CONSTRUCTION.

This Plan is intended to be governed by and shall be construed in accordance with the Employee Retirement Income Security Act of 1974 (“ERISA”) and, to the extent not preempted by ERISA, the laws of the State of New York.

Section 12. CLAIMS, INQUIRIES AND APPEALS.

(a) Applications for Benefits and Inquiries. Any application for benefits, inquiries about the Plan or inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing by an applicant (or his or her authorized representative). The Plan Administrator is:

Tourmaline Bio, Inc.
Compensation Committee of the Board of Directors or Representative
Attention to: Corporate Secretary
27 West 24th Street, Suite 702
New York, New York 10010

(b) Denial of Claims. In the event that any application for benefits is denied in whole or in part, the Plan Administrator must provide the applicant with written or electronic notice of the denial of the application, and of the applicant’s right to review the denial. Any electronic notice will comply with the regulations of the U.S. Department of Labor. The notice of denial will be set forth in a manner designed to be understood by the applicant and will include the following:

- (1) the specific reason or reasons for the denial;
- (2) references to the specific Plan provisions upon which the denial is based;
- (3) a description of any additional information or material that the Plan Administrator needs to complete the review and an explanation of why such information or material is necessary; and
- (4) an explanation of the Plan’s review procedures and the time limits applicable to such procedures, including a statement of the applicant’s right to bring a civil action under Section 502(a) of ERISA following a denial on review of the claim, as described in Section 12(d) below.

This notice of denial will be given to the applicant within 90 days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional 90 days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial 90 day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the application.

(c) Request for a Review. Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within 60 days after the application is denied. A request for a review shall be in writing and shall be addressed to:

Tourmaline Bio, Inc.
Compensation Committee of the Board of Directors or Representative
Attention to: Corporate Secretary
27 West 24th Street, Suite 702
New York, New York 10010

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The applicant (or his or her representative) shall have the opportunity to submit (or the Plan Administrator may require the applicant to submit) written comments, documents, records, and other information relating to his or her claim. The applicant (or his or her representative) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim. The review shall take into account all comments, documents, records and other information submitted by the applicant (or his or her representative) relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(d) Decision on Review. The Plan Administrator will act on each request for review within 60 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 60 days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial 60-day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the review. The Plan Administrator will give prompt, written or electronic notice of its decision to the applicant. Any electronic notice will comply with the regulations of the U.S. Department of Labor. In the event that the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will set forth, in a manner calculated to be understood by the applicant, the following:

- (1) the specific reason or reasons for the denial;
- (2) references to the specific Plan provisions upon which the denial is based;

(3) a statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim; and

(4) a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA.

(e) Rules and Procedures. The Plan Administrator will establish rules and procedures, consistent with the Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the applicant's own expense.

(f) Exhaustion of Remedies. No legal action for benefits under the Plan may be brought until the applicant (i) has submitted a written application for benefits in accordance with the procedures described by Section 12(a) above, (ii) has been notified by the Plan Administrator that the application is denied, (iii) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 12(c) above, and (iv) has been notified that the Plan Administrator has denied the appeal. Notwithstanding the foregoing, if the Plan Administrator does not respond to an Eligible Employee's claim or appeal within the relevant time limits specified in this Section 12, the Eligible Employee may bring legal action for benefits under the Plan pursuant to Section 502(a) of ERISA.

Section 13. BASIS OF PAYMENTS TO AND FROM PLAN.

The Plan shall be unfunded, and all cash payments under the Plan shall be paid only from the general assets of the Company.

Section 14. OTHER PLAN INFORMATION.

(a) Employer and Plan Identification Numbers. The Employer Identification Number assigned to the Company (which is the "Plan Sponsor" as that term is used in ERISA) by the Internal Revenue Service is 83-2377352. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 502.

(b) Ending Date for Plan's Fiscal Year. The date of the end of the fiscal year for the purpose of maintaining the Plan's records is December 31.

(c) Agent for the Service of Legal Process. The agent for the service of legal process with respect to the Plan is:

Tourmaline Bio, Inc.
Attention to: Corporate Secretary
27 West 24th Street, Suite 702
New York, New York 10010

In addition, service of legal process may be made upon the Plan Administrator.

(d) Plan Sponsor. The “Plan Sponsor” is:

Tourmaline Bio, Inc.
27 West 24th Street, Suite 702
New York, New York 10010
(646) 481-9832

(e) Plan Administrator. The Plan Administrator is the Committee prior to the Closing and the Representative upon and following the Closing. The Plan Administrator’s contact information is:

Tourmaline Bio, Inc.
Compensation Committee of the Board of Directors or Representative
27 West 24th Street, Suite 702
New York, New York 10010

The Plan Administrator is the named fiduciary charged with the responsibility for administering the Plan.

Section 15. STATEMENT OF ERISA RIGHTS.

Participants in this Plan (which is a welfare benefit plan sponsored by Tourmaline, Inc.) are entitled to certain rights and protections under ERISA. If you are an Eligible Employee, you are considered a participant in the Plan and, under ERISA, you are entitled to:

(a) Receive Information About Your Plan and Benefits

(1) Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;

(2) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) Summary Plan Description. The Administrator may make a reasonable charge for the copies; and

(3) Receive a summary of the Plan’s annual financial report, if applicable. The Plan Administrator is required by law to furnish each Eligible Employee with a copy of this summary annual report.

(b) Prudent Actions by Plan Fiduciaries. In addition to creating rights for Plan Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Eligible Employees and beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

(c) Enforce Your Rights. If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan, if applicable, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

(d) Assistance with Your Questions. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX A

PARTICIPATION AGREEMENT

Name: _____

Section 1. ELIGIBILITY.

You have been designated as eligible to participate in the Tourmaline Bio, Inc. Executive Severance and Change in Control Plan (the "**Plan**"), a copy of which is attached to this Participation Agreement (the "**Participation Agreement**"). Capitalized terms not explicitly defined in this Participation Agreement but defined in the Plan shall have the same definitions as in the Plan. You will receive the benefits set forth below if you meet all the eligibility requirements and conditions set forth in the Plan and this Participation Agreement, including, without limitation, executing the required Release within the applicable time period set forth therein and allowing such Release to become effective in accordance with its terms, complying with your obligations under the Confidentiality Agreement and any other agreement with a Company Group Entity and returning Company property in accordance with the Plan. Notwithstanding the schedule for provision of benefits as set forth below, the schedule and timing of payment of any benefits under this Participant Agreement is subject to any delay in payment that may be required under Section 5 of the Plan. All severance benefits described herein are subject to standard deductions and withholdings.

Section 2. CHANGE IN CONTROL SEVERANCE BENEFITS.

If your employment is terminated in a Covered Termination that occurs during the Change in Control Period (a "**CIC Covered Termination**"), you will receive the severance benefits set forth in this Section 2.

(a) **Cash Severance.** You shall receive cash severance in an amount equal to your Base Salary (as in effect immediately prior to the Separation from Service or any reduction giving rise to Good Reason, if applicable) for [] months (the "**Severance Period**") (the "**CIC Cash Severance**"). The CIC Cash Severance will be paid to you in a lump sum cash payment no later than the second regular payroll date following the later of (i) the effective date of the Release or (ii) the Closing, but in any event not later than March 15 of the year following the year in which your CIC Covered Termination occurs.

(b) **Bonus Severance Payment.** You shall receive a multiple of your annual target cash bonus, if any, pursuant to the annual performance bonus or annual variable compensation plan established by the Board of Directors or Committee (or any authorized committee or designee thereof) (such annual bonus, the "**Annual Target Bonus**") for the year in which your CIC Covered Termination occurs (the "**Bonus Severance Payment**"). The Bonus Severance Payment will be in an amount equal to your Annual Target Bonus, multiplied by the quotient of the Severance Period divided by 12. If at the time of the CIC Covered Termination you are eligible for the Annual Target Bonus for the year in which the CIC Covered Termination occurs, but the target percentage (or target dollar amount, if specified as such in the applicable bonus plan or arrangement) for such bonus has not yet been established for such year, the target percentage [shall be the target percentage established for you for the preceding year (but adjusted,

if necessary for your position for the year in which the CIC Covered Termination occurs).] For the avoidance of doubt, the amount of the Annual Target Bonus to which you are entitled under this Section 2(b) will be calculated (1) assuming all articulated performance goals for such bonus (including, but not limited to, corporate and individual performance, if applicable), for the year of the CIC Covered Termination was achieved at target levels; and (2) ignoring any reduction in your Base Salary that would give rise to your right to resignation for Good Reason. The Bonus Severance Payment shall be paid to you in a lump sum cash payment no later than the second regular payroll date following the later of (i) the effective date of the Release or (ii) the Closing, but in any event not later than March 15 of the year following the year in which your CIC Covered Termination occurs.

(c) COBRA Severance Benefits. If you timely elect and are eligible for continued group health plan continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") following your CIC Covered Termination date, the Company shall pay directly to the carrier the full amount of your COBRA premiums on behalf of you for your continued coverage under the group health plan of the applicable member of the Company Group, including coverage for your eligible dependents, until the earliest of (i) the end of the Severance Period following the date of your CIC Covered Termination, (ii) the expiration of your eligibility for the continuation coverage under COBRA, or (iii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment (such period from your termination date through the earliest of (i) through (iii), the "**COBRA Payment Period**") (the "**COBRA Severance Benefits**"). Upon the conclusion of the COBRA Payment Period, you will be responsible for the entire payment of premiums (or payment for the cost of coverage) required under COBRA for the duration of your eligible COBRA coverage period, if any. For purposes of this Section, (1) references to COBRA shall be deemed to refer also to analogous provisions of state law and (2) any applicable insurance premiums that are paid by the Company or other member of the Company Group shall not include any amounts payable by you under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are your sole responsibility. You agree to promptly notify the Company Group as soon as you become eligible for health insurance coverage in connection with new employment or self-employment.

Notwithstanding the foregoing, if at any time the Plan Administrator determines, in its sole discretion, that it cannot provide the COBRA premium benefits without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of paying COBRA premiums directly to the carrier on your behalf, the Company Group will instead pay you on the last day of each remaining month of the COBRA Payment Period a fully taxable cash payment equal to the value of your monthly COBRA premium for the first month of COBRA coverage, subject to applicable tax withholding (such amount, the "**Special Severance Payment**"), such Special Severance Payment to be made without regard to your election of COBRA coverage or payment of COBRA premiums and without regard to your continued eligibility for COBRA coverage during the COBRA Payment Period. Such Special Severance Payment shall end upon expiration of the COBRA Payment Period. You are not obligated to use such Special Severance Payment for COBRA premiums.

(d) Equity Acceleration. The vesting and exercisability of each outstanding unvested stock option and other stock award, as applicable, that you hold covering Company

common stock as of the date of your CIC Covered Termination (each, an “**Equity Award**”) that is subject to time-vesting shall be accelerated in full and any reacquisition or repurchase rights held by the Company in respect of Company common stock issued pursuant to any time-based vesting Equity Award granted to you shall lapse in full. To the extent your CIC Covered Termination occurs prior to the Change in Control, the acceleration set forth in this Section 2(d) shall be contingent and effective upon the Change in Control and your Equity Awards will remain outstanding following your CIC Covered Termination to give effect to such acceleration as necessary. For the avoidance of doubt, any Equity Awards that are subject to performance-vesting shall vest and become exercisable according to their individual award agreements. [Provided, however, that any single-trigger vesting acceleration applicable to the Option (as defined in that certain [Executive Employment Agreement/ Offer Letter], by and between you and the Company, dated as of []), shall not be superseded by any language in this Participation Agreement or the Plan (including Section 2(c) of the Plan), and such single trigger acceleration shall continue to apply to the Option.]

Section 3. NON-CHANGE IN CONTROL SEVERANCE BENEFITS. If your employment is terminated in a Covered Termination that occurs at a time that is not during the Change in Control Period, you will receive the severance benefits set forth in this Section 3.

(a) **Non-CIC Cash Severance.** You shall receive cash severance in an amount equal to your Base Salary (as in effect immediately prior to the Separation from Service or any reduction giving rise to Good Reason, if applicable) for [] months (the “**Non-CIC Severance Period**”) (the “**Non-CIC Cash Severance**”). The Non-CIC Cash Severance will be paid in substantially equal installments on the Company’s regular payroll schedule over the Non-CIC Severance Period; provided, however, that no payments will be made prior to the effectiveness of the Release. On the second regular payroll date following the effective date of the Release, the Company will pay you the Non-CIC Cash Severance that you would have received on or prior to such date in a lump sum under the original schedule but for the delay while waiting for the effectiveness of the Release, with the balance of the cash severance being paid as originally scheduled;

(b) **COBRA Severance Benefits.** You shall receive the COBRA Severance Benefits described in Section 2(c) above, except for purposes of determining the COBRA Payment Period, the Severance Period referenced in Section 2(c)(i) will instead be replaced by the Non-CIC Severance Period;

You shall not be eligible to receive any other benefits under the Plan except as described in this Section 3.

For the avoidance of doubt, in no event shall you be entitled to benefits under both Section 2 and this Section 3. If you are eligible for severance benefits under both Section 2 and this Section 3, you shall receive the benefits set forth in Section 2 and such benefits shall be reduced by any benefits previously provided to you under Section 3.

Section 4. ACKNOWLEDGEMENTS; INTERACTION WITH PRIOR BENEFITS.

As a condition to participation in the Plan, you hereby acknowledge each of the following:

(a) The benefits that may be provided to you under this Participation Agreement are subject to certain reductions and termination under the Plan, including without limitation under Section 2 and Section 3 of the Plan.

(b) Your eligibility for and receipt of any severance benefits to which you may become entitled as described in Section 2 or Section 3 above is expressly contingent upon your execution of and compliance with the terms and conditions of the Plan, the Release and the Confidentiality Agreement. Severance benefits under this Participation Agreement shall immediately cease in the event of your violation of the provisions of the Release, Plan, Confidentiality Agreement or any other written agreement with the Company, or as otherwise may be set forth in the Plan.

(c) All payments and severance benefits provided under the Plan and this Participation Agreement will be subject to recoupment in accordance with any current or future clawback policy of the Company, including any clawback policy the Company or other member of the Company Group is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Plan Administrator may impose such other clawback, recovery or recoupment provisions as the Plan Administrator determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of common stock of the Company or other cash or property upon the occurrence of a termination of employment for Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for Good Reason, constructive termination, or any similar term under any plan of or agreement with the Company.

(d) As further described in Section 2(c) of the Plan, [except as set forth in Section 2(d) above,] this Participation Agreement and the Plan supersede and replace any change in control or severance benefits previously provided to you, including but not limited to any benefits under your employment, offer letter or other written agreement or plan, and by executing below you expressly agree to such treatment.

To accept the terms of this Participation Agreement and participate in the Plan, please sign and date this Participation Agreement in the space provided below and return it to the Company no later than [, 2023].

Tourmaline Bio, Inc.

By: _____
Sandeep Kulkarni
Chief Executive Officer

Eligible Employee

[Insert Name]

Date: _____

TOURMALINE BIO, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

ADOPTED: OCTOBER 23, 2023

Each member of the Board of Directors (the “**Board**”) who is not also serving as an employee of or consultant to Tourmaline Bio, Inc. (the “**Company**”) or any of its subsidiaries (each such member, an “**Eligible Director**”) will receive the compensation described in this Non-Employee Director Compensation Policy for his or her Board service. An Eligible Director may decline all or any portion of his or her compensation by giving notice to the Company prior to the date cash may be paid or equity awards are to be granted, as the case may be. The policy will become effective as of the date of its adoption, as set forth above (the “**Effective Date**”) and may be amended at any time in the sole discretion of the Board or the Compensation Committee of the Board.

Annual Cash Compensation

The annual cash compensation amount set forth below is payable to Eligible Directors in equal quarterly installments, payable in arrears on the last day of each fiscal quarter in which the service occurred. If an Eligible Director joins the Board or a committee of the Board at a time other than effective as of the first day of a fiscal quarter, each annual retainer set forth below will be pro-rated based on days served in the applicable fiscal quarter, with the pro-rated amount paid on the last day of the first fiscal quarter in which the Eligible Director provides the service and the Eligible Director will be paid regular full quarterly payments thereafter. All annual cash fees are vested upon payment.

1. Annual Board Service Retainer:
 - a. All Eligible Directors: \$40,000
 - b. Additional Retainer for Non-Executive Chair: \$30,000
2. Annual Committee Chair Service Retainer:
 - a. Chair of the Audit Committee: \$15,000
 - b. Chair of the Compensation Committee: \$12,000
 - c. Chair of the Nominating and Corporate Governance Committee: \$8,000
3. Annual Committee Member Service Retainer (not applicable to Committee Chairs):
 - a. Member of the Audit Committee: \$7,500
 - b. Member of the Compensation Committee: \$6,000
 - c. Member of the Nominating and Corporate Governance Committee: \$4,000

Equity Compensation

The equity compensation set forth below will be granted under the Company's 2023 Equity Incentive Plan or any successor plan (the "**Plan**"). All stock options granted under this policy will be nonstatutory stock options, with an exercise price per share equal to 100% of the Fair Market Value (as defined in the Plan) of the underlying shares of the Company's common stock (the "**Common Stock**") on the date of grant, and will have a term of ten years from the date of grant (subject to earlier termination in connection with a termination of service as provided in the Plan and applicable award agreement).

1. **Initial Grant:** For each Eligible Director who is first elected or appointed to the Board following the Effective Date, on the date of such Eligible Director's initial election or appointment to the Board (or, if such date is not a market trading day, the first market trading day thereafter), the Eligible Director will automatically, and without further action by the Board or the Compensation Committee of the Board, be granted a stock option to purchase 20,000 shares of Common Stock (the "**Initial Grant**"). The shares subject to each Initial Grant will vest in substantially equal monthly installments over the three-year period following the date of grant such that the Initial Grant is fully vested on the third anniversary of the date of grant, subject to the Eligible Director's Continuous Service (as defined in the Plan) through each such vesting date. The Initial Grant will vest in full upon a Change in Control (as defined in the Plan).

2. **Post-Closing Grant.** To the extent an Eligible Director previously served as either (i) a member of the Board of Directors of Tourmaline Bio, Inc. (a "**Legacy Tourmaline Director**"), or (ii) a member of the Board of Directors of Talaris Therapeutics, Inc. (a "**Talaris Director**"), in each case immediately prior to the go-public transaction contemplated by that certain Agreement and Plan of Merger dated June 22, 2023, between Tourmaline Bio, Inc., Talaris Therapeutics, Inc., and Terrain Merger Sub, Inc., then, following the Effective Date and subject to approval by the Compensation Committee of the Board, such Eligible Director will be granted (a) in the case of each Legacy Tourmaline Director, a stock option to purchase 10,000 shares of Common Stock (each a "**Tourmaline Post-Closing Grant**"), or (b) in the case of each Talaris Director, 20,000 shares of Common Stock (each a "**Talaris Post-Closing Grant**" and together with each Tourmaline Post-Closing Grant, the "**Post Closing Grants**"). The shares subject to each Tourmaline Post-Closing Grant shall cliff vest upon the earlier of (x) the first anniversary of the date of grant and (y) the Annual Meeting (as defined below) that immediately follows the date of grant, subject to the Eligible Director's Continuous Service through the vesting date. The shares subject to each Talaris Post-Closing Grant will vest in substantially equal monthly installments over the three-year period following the date of grant such that the Talaris Post-Closing Grant is fully vested on the third anniversary of the date of grant, subject to the Eligible Director's Continuous Service through each such date. The Post Closing Grants will vest in full upon a Change in Control. Each recipient of a Post-Closing Grant will not be eligible for an Initial Grant.

3. **Annual Grant:** On the date of each annual stockholder meeting of the Company held after the Effective Date (each, an "**Annual Meeting**"), each Eligible Director who continues to serve as a non-employee member of the Board following such Annual Meeting will automatically, and without further action by the Board or the Compensation Committee of the Board, be granted a stock option to purchase 10,000 shares of Common Stock (the "**Annual Grant**"). If an Eligible Director was elected or appointed for the first time to be an Eligible Director after the Effective Date and prior to an Annual Meeting, then, on the date of the first Annual Meeting following such election or appointment and in addition to the Annual Grant, and without further action by the Board or the Compensation Committee of the Board, the Eligible Director will be granted a prorated Annual Grant (the "**Prorated Annual Grant**") to purchase the number of shares of

Common Stock equal to 10,000 multiplied by a fraction (the numerator of which is equal to (i) 12 *minus* (ii) the number of completed months since the most recent Annual Meeting that occurred prior to the Eligible Director's date of election or appointment, and the denominator of which is 12), with the resulting number of shares rounded down to the nearest whole share. The shares subject to the Annual Grant and Prorated Annual Grant shall cliff vest upon the earlier of (x) the first anniversary of the date of grant and (y) the Annual Meeting that immediately follows the date of grant, subject to the Eligible Director's Continuous Service through the vesting date. The Annual Grant and Prorated Annual Grant will vest in full upon a Change in Control.

Non-Employee Director Compensation Limit

Notwithstanding the foregoing, the aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director (as defined in the Plan) shall in no event exceed the limits set forth in Section 3(d) of the Plan or the corresponding provision of any successor plan.