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): December 30, 2021 (December 23, 2021)

PARDES BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40067
(Commission
File Number)

85-2696306
(IRS Employer
Identification No.)

2173 Salk Avenue, Suite 250
PMB#052
Carlsbad, CA 92008
(Address of principal executive offices, including zip code)

Registrant’s telephone number, including area code: 415-649-8758
N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading Symbol(s)</th>
<th>Name of each exchange on which registered</th>
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<tbody>
<tr>
<td>Common stock, par value $0.0001 per share</td>
<td>PRDS</td>
<td>The Nasdaq Global Market</td>
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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. ☐
Introductory Note

On December 23, 2021 (the “Closing Date”), FS Development Corp. II, a Delaware corporation ("FSDC II"), consummated the previously announced business combination (the “Business Combination”) pursuant to the terms of the Agreement and Plan of Merger, dated as of June 29, 2021 (as amended on November 7, 2021, the “Merger Agreement”), by and among Pardes Biosciences, Inc., a Delaware corporation ("Old Pardes"), Shareholder Representative Services LLC, a Colorado limited liability company solely in its capacity as the representative, agent and attorney-in-fact of the Company Securityholders (the “Stockholders’ Representative”), FSDC II and Orchard Merger Sub Inc., a Delaware corporation (“Merger Sub”).

On the day prior to the Closing Date, Old Pardes changed its name to “Pardes Biosciences Sub, Inc.” Pursuant to the Merger Agreement, on the Closing Date, (i) FSDC II changed its name to “Pardes Biosciences, Inc.” (together with its consolidated subsidiaries, “New Pardes”), and (ii) Old Pardes merged with and into Merger Sub (the “Merger”), with Old Pardes as the surviving company in the Merger and, after giving effect to such Merger, Old Pardes becoming a wholly-owned subsidiary of New Pardes.

In accordance with the terms and subject to the conditions of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), (i) all shares of Old Pardes’s Series A Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock and Common Stock (collectively, “Old Pardes Stock”) issued and outstanding immediately prior to the Effective Time, whether vested or unvested, was converted into the right to receive their pro rata portion of the 32,500,000 shares of FSDC II Class A Common Stock (the “Common Stock”) issued as Merger consideration (the “Merger Consideration”) equal to (A) the final consideration ratio calculated in accordance with the Merger Agreement multiplied by (B) the number of shares of Old Pardes Stock; (ii) each option exercisable for Old Pardes Stock that was outstanding immediately prior to the Effective Time was assumed and continues in full force and effect on the same terms and conditions as were previously applicable to such options, subject to adjustments to exercise price and number of shares Common Stock issuable upon exercise based on the final conversion ratio calculated in accordance with the Merger Agreement, and (iii) 13,000,000 shares of Common Stock were reserved for issuance under the newly adopted 2021 Stock Option and Incentive Plan (the “2021 Plan”), of which a portion of such shares were allocated for issuance upon exercise of the assumed options and reserved for option grants for outstanding contractual commitments.

Unless the context otherwise requires, “we,” “us,” “our,” and the “Company” refer to New Pardes and its consolidated subsidiaries. All references herein to the “Board” refer to the board of directors of New Pardes. All references herein to the “Closing” refer to the closing of the transactions contemplated by the Merger Agreement (the “Transactions”), including the Merger and the transactions contemplated by the subscription agreements entered into by FSDC II and certain investors (the “PIPE Investors”) pursuant to which the PIPE Investors collectively committed to subscribe for, and did subscribe for, an aggregate of 7,500,000 shares of Common Stock for an aggregate purchase price of $75,000,000 (the “PIPE Investment”).

**Item 1.01. Entry into a Material Definitive Agreement.**

**Registration Rights Agreement**

On the Closing Date, New Pardes, Old Pardes, the FSDC II Investors (as defined below) and the Major Pardes Investors (as defined below) entered into a Registration Rights Agreement (the “Registration Rights Agreement”), pursuant to which, among other things, the FSDC II Investors and the Major Pardes Investors (collectively, the “Investors”) are granted certain registration rights with respect to registrable securities (as defined in the Registration Rights Agreement) held by them. The FSDC II Investors include FS Development Holdings II, LLC, Daniel Dubin, Owen Hughes and Deepa Pakianathan. The Major Pardes Investors include Foresite Capital Opportunity Fund V, L.P., Foresite Capital Fund V, L.P., Khosla Ventures Seed D, L.P., Khosla Ventures VII, L.P., GMF Pardes, LLC, Uri A. Lopatin, M.D., Lopatin Descendants’ Trust, Lee D. Arnold, Ph.D., Brian P. Kearney PharmD, Heidi Henson, Elizabeth H. Lacy, Mark Auerbach, and Michael D. Varney, Ph.D..
In particular, the Registration Rights Agreement provides for the following registration rights:

• **Demand registration rights.** At any time after the Closing Date, and following the expiration of any lock-up to which an Investor may be subject, New Pardes will be required, upon the written request of either (i) FSDC II Investors holding a majority of the Registrable Securities held by all FSDC II Investors or (ii) Major Pardes Investors holding at least 30% of the Registrable Securities held by all Major Pardes Investors, to file a registration statement under the Securities Act of 1933, as amended (the “Securities Act”) on Form S-1 or any similar long-form registration statement or, if then available, on Form S-3, and use reasonable best efforts to effect the registration of all or part of their registrable securities requested to be included in such registration by the Investors.

• **Shelf registration rights.** New Pardes will be required, to file a shelf registration statement pursuant to Rule 415 of Securities Act as soon as practicable after the Closing Date but in no event later than thirty (30) calendar days after the Closing Date registering the resale from time to time of all of the registrable securities then held by Investors that are not covered by an effective registration statement on the filing date. New Pardes will use reasonable best efforts to cause the resale shelf registration statement to be declared effective as soon as possible after filing. At any time New Pardes has an effective shelf registration statement, and assuming the expiration of the Lock-up Period (as defined in the Registration Agreement), if the Company shall receive a request from Investors holding registrable securities with an estimated market value of at least $5,000,000, to effect an underwritten shelf takedown, New Pardes shall use its reasonable best efforts to as expeditiously as possible to effect the underwritten shelf takedown.

• **Limits on demand registration rights and shelf registration rights.** New Pardes shall not be obligated to effect: (a) more than one (1) demand registration or underwritten shelf takedown during any six-month period; (b) any demand registration at any time there is an effective resale shelf registration statement on file with the SEC; (c) more than two underwritten demand registrations in respect of all registrable securities held by the FSDC II Investors, including those made under a shelf registration statement, or (d) more than two underwritten demand registrations in respect of all registrable securities held by the Major Pardes Investors, including those made under a shelf registration statement.

• **Piggyback registration rights.** At any time after the first anniversary of the Closing Date, if New Pardes proposes to file a registration statement to register any of its equity securities under the Securities Act or to conduct a public offering, either for its own account or for the account of any other person, subject to certain exceptions, the Investors are entitled to include their registrable securities in such registration statement, subject to customary cut-back rights.

• **Expenses and indemnification.** All fees, costs and expenses of underwritten registrations will be borne by New Pardes and underwriting discounts and selling commissions will be borne by the holders of the shares being registered. The Registration Rights Agreement contains customary cross-indemnification provisions, under which New Pardes is obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to New Pardes, and holders of registrable securities are obligated to indemnify New Pardes for material misstatements or omissions attributable to them.

• **Registrable securities.** Securities of New Pardes shall cease to be registrable securities upon the earlier of (i) tenth anniversary of the Closing Date and (ii) the date as of which (1) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, or (2) such securities shall have been transferred pursuant to Rule 144 of the Securities Act, or with respect to any Investor, securities of such Investor shall cease to be registrable securities, on the earlier of (x) the date such Investor ceases to hold at least 1% of the registrable securities or (y) if such Investor is an individual and such Investor is a director or an executive officer of Old Pardes or FSDC II as of immediately prior to the consummation of the Merger, the date when such Investor is permitted to sell the Registrable Securities under Rule 144 (or any similar provision) under the Securities Act without limitation on the amount of securities sold or the manner of sale.

The foregoing description of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by the full text of the Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.
**Voting Agreement**

On the Closing Date, New Pardes, the Sponsor and certain stockholders of New Pardes (collectively, the “Voting Parties”) entered into a Voting Agreement, pursuant to which each Voting Party agrees to vote all voting securities of New Pardes that it owns from time to time and that it may vote in an election of the Company’s directors (collectively, “Voting Shares”) in accordance with the provisions of the Voting Agreement, whether at a regular or special meeting of stockholders.

Pursuant to the Voting Agreement, the post-Closing Board immediately following the closing shall be comprised of seven directors, which shall be divided into three (3) classes, designated Class I, II and III, with Class I initially consisting of two directors (the “Class I Directors”), Class II initially consisting of two directors (the “Class II Directors”) and Class III initially consisting of three directors (the “Class III Directors”). J. Jay Lobell and Deborah M. Autor shall constitute the initial Class I Directors and shall be nominated in Class I, the members of which shall have an initial term that expires at the annual meeting of stockholders of the Company held in 2022; Michael D. Varney, Ph.D. and Laura J. Hamill shall constitute the Class II Directors and shall be nominated in Class II, the members of which shall have an initial term that expires at the annual meeting of stockholders of the Company held in 2023; and Uri A. Lopatin, M.D., Mark Auerbach and James B. Tananbaum, M.D. shall constitute the initial Class III Directors and shall be nominated in Class III, the members of which shall have an initial term that expires at the annual meeting of stockholders held in 2024. At least a majority of the Board shall qualify as Independent Directors.

Pursuant to the Voting Agreement, the Voting Agreement shall be in effect until the consummation of the 2024 annual stockholders meeting (the “Term”), provided however, if at any time during the Term the Sponsor owns less than 1,385,937 shares of Class A Common Stock of the Company (as adjusted for any share split, share dividend or other share recapitalization, share exchange or other event), the rights of the Sponsor and the obligations of the Board shall automatically terminate.

Pursuant to the Voting Agreement, Old Pardes shall have the authority to appoint six directors to the Board, with such procedures as are determined by Old Pardes’s Board.

All directors elected pursuant to the terms of the Voting Agreement shall be removed from the Board (a) only upon the vote or written consent of the Voting Party that is entitled to nominate such director or (b) pursuant to the vote of the Company’s stockholders at any annual or special meeting of stockholders. Upon any individual elected to serve as a director pursuant to the Voting Agreement ceasing to be a member of the Board, whether by death, resignation or removal or otherwise, only the Voting Party that was entitled to nominate such individual shall have the right to fill any resulting vacancy in the Board; provided that such Voting Party still has the right to nominate the applicable director under the Voting Agreement.

The foregoing description of the Voting Agreement does not purport to be complete and is qualified in its entirety by the full text of the Voting Agreement, a copy of which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

**Lockup Agreement**

On the Closing Date, New Pardes and certain of its stockholders and optionholders (the “Stockholders Parties”) entered into a Lockup Agreement pursuant to which such Stockholder Parties agreed not to transfer any shares of Common Stock or options to purchase Common Stock received as Merger consideration (the “Covered Equity Interest”) for a period of 180 days following the Closing Date. Notwithstanding the foregoing, any Stockholder Party that is an executive officer or director shall be allowed to establish a 10b5-1 trading plan during the lockup period, provided that no trades are made under the plan during the 180 day lock-up period.

The foregoing description of the Lockup Agreement does not purport to be complete and is qualified in its entirety by the full text of the Lockup Agreement, a copy of which is attached hereto as Exhibit 10.3 and is incorporated herein by reference.
Completion of Acquisition or Disposition of Assets.

On December 23, 2021, FSDC II held a special meeting of stockholders (the “Special Meeting”) at which the FSDC II stockholders considered and adopted, among other matters, the Merger Agreement. On December 23, 2021, the parties to the Merger Agreement consummated the Transactions.

At the Closing, of the 32,500,000 shares of Common Stock constituting the Merger Consideration, (i) an aggregate of 29,364,235 shares of Common Stock were issued in exchange for the Old Pardes Stock outstanding as of immediately prior to the Effective Time, of which 5,733,270 shares of Common Stock remained subject to vesting as of December 23, 2021, (ii) 2,878,138 shares were reserved for issuance under the 2021 Plan for Pardes’s outstanding vested, unvested, and unexercised options outstanding as of immediately prior to the Effective Time and (iii) 257,627 shares were reserved for issuance under the 2021 Plan for outstanding contractual commitments to grant equity awards to persons following the Effective Time. Additionally, at the Closing an aggregate of 7,500,000 shares of Common Stock were issued to the PIPE Investors in the PIPE Financing. The former stockholders of FSDC II redeemed 243,989 shares for an aggregate redemption amount of $2.4 million.

Immediately after giving effect to the Transactions, there were 62,378,996 shares of Common Stock outstanding, of which 5,733,270 shares of Common Stock remained subject to vesting as of December 23, 2021, and 13,000,000 shares of Common Stock subject to outstanding equity awards or reserved for future issuance under the 2021 Plan.

The material terms and conditions of the Merger Agreement are described in the definitive proxy statement/prospectus (the “Proxy Statement/Prospectus”) included in FSDC II’s Registration Statement on Form S-4 (File No. 333-258442), originally filed with the Securities and Exchange Commission (the “SEC”) on August 4, 2021, as amended, in the section titled “Business Combination Proposal—The Merger Agreement,” which is incorporated herein by reference.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K and the information incorporated herein by reference may constitute “forward-looking statements” for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future, including those relating to the Transactions and their expected benefits, New Pardes’s performance following the Transactions, the ability of New Pardes’s clinical trials to demonstrate acceptable safety and efficacy of New Pardes’s product candidates, including PBI-0451, statements about the potential attributes and benefits of New Pardes’s product candidates, including the potential for dosing of PBI-0451 as a single agent without a requirement for the addition of a metabolic boosting agent such as ritonavir, New Pardes’s lead product candidate, the timing, progress and results of clinical trials for PBI-0451 and completion of studies or trials and related preparatory work, the format and timing of Pardes’s product development activities and clinical trials, including development plans for registrational trials and regulatory interactions, the initiation, timing, progress, results and costs of New Pardes’s research and development programs and New Pardes’s current and future preclinical and clinical studies, New Pardes’s ability to initiate, recruit and enroll patients in and conduct its clinical trials at the pace that New Pardes’s projects, and New Pardes’s ability to obtain marketing approvals of its product candidates and to meet existing or future regulatory standards or comply with post-approval requirements. Forward-looking statements include statements relating to our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future, including those relating to the Transactions. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements are based on current expectations and beliefs concerning future developments and their potential effects. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “Risk Factors” in the Proxy Statement/Prospectus. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some of these risks and uncertainties may in the future be amplified by the COVID-19 pandemic and there may be additional risks that we consider.
variants of concern. The development program for PBI-0451 will explore its potential as both a treatment and prophylaxis for Mpro, a viral protein with no direct human equivalent that is both highly conserved and essential for replication of all known coronaviruses. The our lead product candidate, PBI-0451, inhibits the main coronaviral cysteine protease, or Mpro, a viral protein essential for replication of all known coronaviruses. In preclinical studies, PBI-0451 has demonstrated activity against all coronaviral proteases, tested, as well as inhibition of replication of multiple coronaviruses, including SARS-CoV-2. Moreover, PBI-0451 has demonstrated the potential for oral bioavailability across multiple pre-clinical species as well as in an ongoing Phase 1 clinical study in humans. We believe the anti-viral potency seen against SARS-CoV-2 in preclinical in vitro studies and potential for oral bioavailability in humans supports its potential to be an oral direct acting antiviral, or DAA, for use against SARS-CoV-2 infections. We plan to develop PBI-0451 for both oral treatment and prophylaxis of SARS-CoV-2 infection. Given the highly conserved nature of the Mpro target, which is shared among all known coronaviruses, including emerging variants of concern, we believe emerging variants will likely retain this target for PBI-0451. SARS-CoV-2 represents the third coronavirus to make a zoonotic transfer in the last 20 years and result in significant human disease.

The impact of SARS-CoV-2, however, is significantly greater than has been seen in the two previous coronaviral outbreaks. As of November 2021, there have been in excess of 253 million confirmed cases of SARS-CoV-2 infection and more than 5.1 million related deaths globally. A detailed market opportunity for any single COVID-19 therapeutic is difficult to predict given the unprecedented and evolving nature of COVID-19. Nevertheless, the necessity for a rapidly deployable, broadly effective antiviral treatment is evidenced by the continued incidence of new SARS-CoV-2 infections in the US and the surge of infections being seen in many countries. These ongoing transmissions represent a major potential threat, as they enable the ongoing evolution of SARS-CoV-2, and fuel the rise of novel variants of potential concern. To date, these variants primarily involve the viral spike protein and its receptor binding domain (RBD) entry point at the ACE-2 receptor, providing the potential for reduced susceptibility to vaccines. In the US and other developed countries, vaccine hesitancy will likely persist resulting in significant portions of the population remaining at risk for future waves of infection. In addition to this immediate critical need, the likely event of future zoonotic transmissions of novel coronaviruses establishes the necessity for broadly effective, oral antiviral treatments for the foreseeable future.

Over the last 40 years significant progress has been made in our understanding of how viruses infect cells, replicate and spread within the body. This has resulted in multiple drug development approaches including inhibition of viral entry into cells, viral gene replication and viral particle formation. We believe the most effective method for treating and preventing coronaviral infections is to use small molecule DAAs to target viral encoded proteases to inhibit their function. Historically, this approach has led to highly potent and clinically successful antivirals for the treatment of other viruses such as human immunodeficiency virus (HIV), and hepatitis C virus, or HCV. Our lead product candidate PBI-0451 is a coronaviral protease inhibitor that in preclinical studies has demonstrated in vitro activity against all coronaviruses tested by us to date. We believe a safe, oral, pan-coronaviral protease inhibitor may have significant benefits as an antiviral able to treat or prevent infection with SARS-CoV-2 and important emerging variants of concern.

Our Lead Program

Our lead product candidate PBI-0451 is being developed as an orally administered DAA whose mechanism of action is inhibition of the coronaviral Mpro, a viral protein with no direct human equivalent that is both highly conserved and essential for replication of all known coronaviruses. The development program for PBI-0451 will explore its potential as both a treatment and prophylaxis for SARS-CoV-2 infection, including emerging variants of concern.

Who We Are

We are a clinical-stage biopharmaceutical company formed in February 2020 that is focused on discovering, developing and commercializing novel therapeutics to improve the lives of patients suffering from life-threatening disease, starting with our lead candidate, PBI-0451, which is in clinical development and intended to treat and prevent coronaviral (CoV) infections. COVID-19 is caused by infection with the severe acute respiratory syndrome coronavirus 2, or SARS-CoV-2, and has emerged as the most significant pandemic threat for the world in many decades. Pardes has built a discovery platform designed to target reactive nucleophiles, such as those in cysteine proteases. By leveraging our understanding of structure-based drug design, reversible covalent chemistry and viral biology, we have discovered and are developing novel product candidates with low nanomolar potency against SARS-CoV-2 and broad activity against all known pathogenic human coronaviruses. Our lead product candidate, PBI-0451, inhibits the main coronaviral cysteine protease, or Mpro, a viral protein essential for replication of all known coronaviruses. In preclinical studies, PBI-0451 has demonstrated activity against all coronaviral proteases, tested, as well as inhibition of replication of multiple coronaviruses, including SARS-CoV-2. Moreover, PBI-0451 has demonstrated the potential for oral bioavailability across multiple pre-clinical species as well as in an ongoing Phase 1 clinical study in humans. We believe the anti-viral potency seen against SARS-CoV-2 in preclinical in vitro studies and potential for oral bioavailability in humans supports its potential to be an oral direct acting antiviral, or DAA, for use against SARS-CoV-2 infections. We plan to develop PBI-0451 for both oral treatment and prophylaxis of SARS-CoV-2 infection. Given the highly conserved nature of the Mpro target, which is shared among all known coronaviruses, including emerging variants of concern, we believe emerging variants will likely retain this target for PBI-0451. SARS-CoV-2 represents the third coronavirus to make a zoonotic transfer in the last 20 years and result in significant human disease.

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In preclinical studies, PBI-0451 demonstrated in vitro the potential to inhibit replication of a broad range of coronaviruses, including SARS-CoV-2, as well as other variants of coronavirus that cause upper respiratory infections and can manifest as a “common cold.” This breadth of coverage aligns with the highly conserved nature of the coronavirus M protein across strains and supports our belief that PBI-0451 will maintain its inhibition even as other SARS-CoV-2 variants emerge.

In August 2021, we initiated our first-in-human trial for PBI-0451. This trial is anticipated to enroll up to 180 healthy volunteers. The Phase 1 study is a placebo-controlled, blinded, randomized, dose escalation study of PBI-0451 in healthy volunteers designed to evaluate the safety, tolerability, and pharmacokinetics of PBI-0451 after single and multiple ascending doses. This study will also evaluate the drug-drug interaction potential of PBI-0451, including upon its coadministration with ritonavir. We intend to use clinical data from this first-in-human Phase 1 clinical trial to inform the potential dosing regimen for our potential subsequent clinical trials.

In addition to our lead program, we have developed a library of chemical “warheads” designed to target reactive nucleophiles such as reactive site cysteine or serine residues. These warheads have the potential to be adapted for use against both other viral proteases as well as other disease-related targets. We expect that our platform will continue to provide us with the opportunity to develop additional product candidates across multiple therapeutic areas in the future.

Our Team
We have assembled a management team with significant experience in discovering, developing and commercializing a broad range of therapies, including multiple antivirals, and in public company operations. Our President and Chief Executive Officer, Uri A. Lopatin, M.D., has over 15 years of scientific, operational, strategic, and management experience in the biopharmaceutical industry. He previously cofounded Assembly Pharmaceuticals, which went public as Assembly Biosciences, Inc. (NSDAQ: ASMB) in 2014. Our Chief Scientific Officer, Lee D. Arnold, Ph.D., has more than 34 years of contributions to molecularly targeted drug discovery, including more than 80 U.S. patent applications and the discovery of the first in class oncology drug, Tarceva®. He was previously the Chief Scientific Officer and Chief Discovery Officer at Assembly Biosciences, Inc, and has held leadership positions at OSI Pharmaceuticals, Inc., BASF/Abbott and Kinnate Biopharma, Inc. Our Chief Development Officer, Brian P. Kearney, PharmD has over 20 years of experience in antiviral medicine development and was most recently at Gilead Sciences, Inc. serving as Vice President of Clinical Research. Dr. Kearney was responsible for programs and teams that led to global regulatory approvals of eight new chemical entities and 15 new drug products for the treatment of HIV, HBV, HCV, and other unmet medical needs. Our Chief Commercial Officer, Sean P. Brusky, brings over 20 years of business development, commercial managed care and medical affairs experience, most recently as Head of Healthcare Delivery Innovation for Genentech, Inc. (a member of the Roche Group). Our Chief Business & Strategy Officer, Philippe Tinmouth, brings over 25 years of experience in strategic leadership, business development and alliance management in the biopharmaceutical industry to New Pardes. Heidi Henson, Chief Financial Officer, has a successful track record in pharmaceutical and life sciences companies that dates back nearly 20 years, including Wellspring Biosciences, Inc., Kura Oncology, Inc. and Imbria Pharmaceuticals, Inc. and was Vice President of Finance at Intellikine, Inc. until its acquisition by Takeda Pharmaceutical Company Limited. Elizabeth H. Lacy, our General Counsel, has twenty-five years of legal experience of which over four and a half years has been as the general counsel of a public life sciences company. Our board of directors includes Michael D. Varney, Ph.D., previously head of Research and Development at Genentech, Inc., Mark Auerbach, former Chairman of Par Pharmaceuticals Companies, Inc. and lead director of Optimer Pharmaceuticals, Inc., Deborah M. Autor, served as Vice President, Global Head of Regulatory Excellence at AstraZeneca Pharmaceuticals LP and former Deputy Commissioner, Global Regulatory Operations & Policy at the FDA, Laura J. Hamill, a former executive with significant global commercial operations and strategic planning experience, and James B. Tananbaum, M.D., co-founder of Theravance, Inc. and Founder and CEO of Foresite Capital.
We believe that our team’s expertise in reversible covalent chemistry and virology, together with our experience discovering, developing, registering and commercializing multiple drugs in clinical use, including antiviral treatments, positions us well to advance a new generation of medicines. Our immediate aspiration is to develop a cure for the world’s most significant coronaviral disease to date, while simultaneously leveraging our chemistry platform to establish a robust pipeline across multiple programs.

**Our Strategy**

We believe that our tunable, reversible covalent chemistry platform will allow us to engage reactive nucleophiles in select biological targets and leverage modern structure-based drug design to rapidly develop better oral drugs for clinically important diseases. Initially, our goal is to become a global leader in the discovery, development and commercialization of novel therapies for the treatment and prevention of SARS-CoV-2 infections, the cause of COVID-19, and emerging SARS-CoV-2 variants. We anticipate expanding our discovery and development efforts beyond virology to include immunology and oncology. To achieve our goals, we intend to pursue the following strategies:

- **Complete preclinical and clinical development and seek approval for our lead product candidate, PBI-0451, an investigational drug designed to be orally administered DAA for the treatment and prevention of SARS-CoV-2 infections, the cause of COVID-19, including infections caused by newly emerging SARS-CoV-2 variants.** We initiated our Phase 1, first in human clinical trial in New Zealand with our lead candidate PBI-0451 in August 2021. If PBI-0451 demonstrates acceptable human pharmacokinetics and tolerability data in the Phase 1 clinical trial, we subsequently intend to discuss with the FDA and other regulatory authorities outside of the U.S., and seek advice, regarding potential plans to initiate a Phase 2/3, potentially registrational, treatment trial that will enroll patients who are test positive for SARS-CoV-2 in the outpatient setting and are considered at high risk of progressing to severe disease. In addition, we plan to evaluate PBI-0451 in additional programs, such as a potential post-exposure prophylaxis in first degree contacts of patients diagnosed with SARS-CoV-2 infection. We intend to work closely with the FDA and other regulatory authorities as we plan and implement our clinical trials to align on the regulatory pathway for approval of PBI-0451 and may seek Emergency Use Authorizations (EUA).

- **Expand our pipeline by developing highly selective, orally administered drug candidates against additional targets in virology, immunology and oncology.** While we believe our lead candidate, PBI-0451, can be developed as a broadly active anti-coronaviral drug, we intend to continue to improve our capability to inhibit a range of coronaviruses, while we expand our wholly owned pipeline by continuing to innovate and discover additional differentiated oral small molecules against additional targets.

- **Maximize the value of our product candidates.** We intend to retain global commercialization rights to our product candidates, which we believe will allow us to retain the greatest potential value for our product portfolio. However, we may selectively consider entering into collaborations where we believe there is an opportunity, particularly outside the United States, to accelerate the development of our product candidates and the commercialization of products, if any, that we successfully develop.

Our business is further described in the Proxy Statement/Prospectus in the section titled “Information about Pardes” and that information is incorporated herein by reference.

**Risk Factors**

The risk factors related to our business and operations and the Transactions are set forth in the Proxy Statement/Prospectus in the section titled “Risk Factors” and that information is incorporated herein by reference.

**Financial Information**

The financial information related to our business and operations and the Transactions are set forth in the Proxy Statement/Prospectus in the section titled “Summary Financial and Other Data of Pardes,” “Summary Financial and Other Data of FS Development II,” “Summary Unaudited Pro Forma Condensed Combined Financial Information,” “Comparative Share Information,” “Unaudited Pro Forma Condensed Combined Financial Information” “Selected Financial and other Data of FS Development II,” “Selected Consolidated Financial and Other Data of Pardes,” and that information is incorporated herein by reference.
Facilities
All employees currently work remotely. We intend to lease office space and labs in the first half of 2022.

Security Ownership of Certain Beneficial Owners and Management
The following table sets forth information regarding the beneficial ownership of the Common Stock immediately following the consummation of the Transactions:

- each person who is known to be the beneficial owner of more than 5% of New Pardes’s outstanding Common Stock immediately following the consummation of the Transactions;
- each of New Pardes’s current executive officers and directors; and
- all executive officers and directors of New Pardes as a group following the consummation of the Transaction.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. Unless otherwise indicated, New Pardes believes that all persons named in the table have sole voting and investment power with respect to all Common Stock beneficially owned by them. Unless otherwise noted, the business address of each of the executive officers and directors of New Pardes is 2173 Salk Ave., Suite 250, PMB#052, Carlsbad, CA 92008. The percentage of shares beneficially owned is based on 62,378,996 shares of Common Stock outstanding after giving effect to the Transactions, as of December 23, 2021, of which 5,733,270 shares of Common Stock remained subject to vesting.

<table>
<thead>
<tr>
<th>Name and Address of Beneficial Owner</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors and Officers:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uri A. Lopatin, M.D.(1)</td>
<td>5,679,746</td>
<td>9.1</td>
</tr>
<tr>
<td>Heidi Henson(2)</td>
<td>382,184</td>
<td>*</td>
</tr>
<tr>
<td>Lee D. Arnold, Ph.D.(3)</td>
<td>2,815,585</td>
<td>4.5</td>
</tr>
<tr>
<td>Brian P. Kearney, PharmD(4)</td>
<td>457,533</td>
<td>*</td>
</tr>
<tr>
<td>Sean P. Brusky</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Elizabeth H. Lacy(5)</td>
<td>268,483</td>
<td>*</td>
</tr>
<tr>
<td>Philippe Tinmouth</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mark Auerbach(6)</td>
<td>70,390</td>
<td>*</td>
</tr>
<tr>
<td>Deborah M. Autor(7)</td>
<td>8,798</td>
<td>*</td>
</tr>
<tr>
<td>Laura J. Hamill(8)</td>
<td>8,798</td>
<td>*</td>
</tr>
<tr>
<td>J. Jay Lobell(9)</td>
<td>3,591,265</td>
<td>5.8</td>
</tr>
<tr>
<td>Michael D. Varney, Ph.D.(10)</td>
<td>70,390</td>
<td>*</td>
</tr>
<tr>
<td>James B. Tananbaum, M.D.(11)</td>
<td>14,627,822</td>
<td>23.4</td>
</tr>
<tr>
<td><strong>All Directors and Executive Officers as a group (13 individuals)</strong></td>
<td>27,980,994</td>
<td>44.8</td>
</tr>
<tr>
<td><strong>Five Percent Holders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entities affiliated with FS Development Holdings II, LLC(11)</td>
<td>14,627,822</td>
<td>23.4</td>
</tr>
<tr>
<td>Khosla Ventures(12)</td>
<td>6,151,766</td>
<td>9.9</td>
</tr>
<tr>
<td>GMF Pardes LLC(9)</td>
<td>3,591,265</td>
<td>5.8</td>
</tr>
</tbody>
</table>

* Less than one percent.
Uri A. Lopatin, M.D. and Lopatin Descendants’ Trust are the record holders, respectively, of 5,327,798 and 351,948 shares of Common Stock. Uri A. Lopatin, M.D. and Katherine Lopatin are co-trustees of the Lopatin Descendants’ Trust and have sole voting and investment discretion over the shares described above. At February 21, 2022, 2,932,902 shares remain subject to a right of repurchase.

Consists of 316,753 restricted shares of Common Stock held by Ms. Henson, of which 193,572 shares remain subject to a right of repurchase at February 21, 2022 and 65,431 shares of Common Stock issuable to Ms. Henson pursuant to options exercisable within 60 days of December 23, 2021.

Consists of 2,815,585 restricted shares of Common Stock held by Dr. Arnold, of which 1,583,767 shares remain subject to a right of repurchase at February 21, 2022.

Consists of 457,533 restricted shares of Common Stock held by Dr. Kearney, of which 305,022 shares remain subject to a right of repurchase at February 21, 2022.

Consists of 211,169 restricted shares of Common Stock held by Ms. Lacy, of which 140,780 shares remain subject to a right of repurchase at February 21, 2022 and 57,314 shares of Common Stock issuable to Ms. Lacy pursuant to options exercisable within 60 days of December 23, 2021.

Consists of 70,390 restricted shares of Common Stock held by Mr. Auerbach, of which 51,327 shares remain subject to a right of repurchase at February 21, 2022.

Consists of 8,798 shares of Common Stock issuable to Ms. Autor pursuant to options exercisable within 60 days of December 23, 2021.

Consists of (i) 3,091,265 shares of Common Stock held by GMF Pardes LLC and (ii) 500,000 shares of Common Stock issued in the PIPE Investment. J. Jay Lobell, in his capacity as managing member of GMF Pardes LLC, may be deemed to have sole voting and investment discretion over the shares described above. Mr. Lobell disclaims beneficial ownership of these shares except to the extent of any pecuniary interest therein.

Consists of 70,390 restricted shares of Common Stock held by Dr. Varney, of which 48,395 shares remain subject to a right of repurchase at February 21, 2022.

FS Development Holdings II, LLC is the record holder of 5,543,750 shares of Common Stock. Foresite Capital Management V, LLC (“FCM V”), as the general partner of Foresite Capital Fund V, L.P. (“FCF V LP”), and Foresite Capital Opportunity Management V, LLC (“FCOM V”), as the general partner of Foresite Capital Opportunity Fund V, L.P. (“Opportunity V”), with FCF V LP and Opportunity V being the sole members of FS Development Holdings II, LLC, have voting and investment discretion with respect to the common stock held of record by FS Development Holdings II, LLC. Each of FCF V LP and Opportunity V was issued 500,000 shares of Common Stock in the PIPE Investment. FCF V LP and Opportunity V also received, respectively, 5,966,140 and 1,792,932 shares of Common Stock as Merger Consideration. In addition, each of FCF V LP and Opportunity V purchased 162,500 shares in a block trade. Dr. Tananbaum, in his capacity as managing member of each of FCM V and FCOM V, may be deemed to have sole voting and investment discretion over the shares described above. Each of FCM V, FCOM V, and Dr. Tananbaum disclaim beneficial ownership of these shares except to the extent of any pecuniary interest therein.

Consists of (i) 3,400,464 shares of Common Stock held by Khosla Ventures Seed D, LP (“Seed D”) and (ii) 2,751,302 shares of Common Stock held by Khosla Ventures VII, LP (“KV VII”). The general partner of Seed D is Khosla Ventures Seed Associates D, LLC (“KVSA D”). The general partner of KV VII is Khosla Ventures Associates VII, LLC (“KVA VII”). VK Services, LLC (“VK Services”), is the sole manager of KVSA D and KVA VII. Vinod Khosla is the managing member of VK Services. Each of Mr. Khosla, VK Services and KVSA D may be deemed to share voting and dispositive power over the shares held by Seed D. Mr. Khosla, VK Services and KVSA D disclaim beneficial ownership of the shares held by Seed D, except to the extent of their respective pecuniary interests therein. Each of Mr. Khosla, VK Services and KVA VII may be deemed to share voting and dispositive power over the shares held by KV VII. Mr. Khosla, VK Services and KVA VII disclaim beneficial ownership of such shares held by KV VII, except to the extent of their respective pecuniary interests therein. The address for Mr. Khosla, and each of the foregoing entities is 2128 Sand Hill Road, Menlo Park, California 94025.
Directors and Executive Officers
Our directors and executive officers after the consummation of the Transactions are described in the Proxy Statement/Prospectus in the section titled “Management after the Business Combination” and that information is incorporated herein by reference.

Committees of the Board of Directors
Information with respect to the composition of the committees of the Board immediately after the consummation of the Transactions is set forth in the Proxy Statement/Prospectus in the section titled “Management after the Business Combination—Committees of the Board of Directors” and that information is incorporated herein by reference.

Executive Compensation
A description of the compensation of the named executive officers of New Pardes is set forth in the Proxy Statement/Prospectus in the section titled “Executive Compensation of Pardes” and that information is incorporated herein by reference.

At the Special Meeting, the 2021 Plan was approved by our stockholders. The summary of the 2021 Plan set forth in the Proxy Statement/Prospectus in the section titled “The Incentive Plan Proposal” is incorporated herein by reference. A copy of the full text of the 2021 Plan is attached hereto as Exhibit 10.4 and is incorporated herein by reference.

Director Compensation
A description of the compensation of the directors of Old Pardes before the consummation of the Transactions is set forth in the Proxy Statement/Prospectus in the section titled “Director Compensation” and that information is incorporated herein by reference.

Independence
The Nasdaq Stock Market LLC (“Nasdaq”) listing rules require that a majority of the board of directors of a company listed on Nasdaq be composed of “independent directors,” which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of Mark Auerbach, Deborah M. Autor, Laura J. Hamill, J. Jay Lobell and Michael D. Varney, Ph.D. will each be an independent director under the Nasdaq listing rules, each of Mark Auerbach, Deborah M. Autor, Laura J. Hamill, J. Jay Lobell and Michael D. Varney, Ph.D. is independent under Rule 10A-3 of the Exchange Act. In making these determinations, the Board considered the current and prior relationships that each non-employee director has or has had with FSDC II and Old Pardes and all other facts and circumstances the Board deemed relevant in determining independence, including the beneficial ownership of our Common Stock by each non-employee director, and the transactions involving them described in the section of this Item 2.01 on this Current Report on Form 8-K entitled “Certain Relationships and Related Transactions” and the information incorporated by reference therein.

Certain Relationships and Related Person Transactions
Certain relationships and related person transactions are described in the Proxy Statement/Prospectus in the section titled “Certain Relationships and Related Person Transactions,” and that information is incorporated herein by reference.

Legal Proceedings
Reference is made to the disclosure regarding legal proceedings in the section of the Proxy Statement/Prospectus titled “Information about FS Development II—Legal Proceedings” and “Information about Pardes—Legal Proceedings” and that information is incorporated herein by reference.
The Common Stock began trading on December 27, 2021 under the symbol “PRDS.” As of immediately following the Closing Date there were approximately 83 registered holders of Common Stock.

We have not paid any cash dividends on shares Common Stock to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any dividends will be within the discretion of our Board. It is the present intention of the Board to retain all earnings, if any, for use in our business operations and, accordingly, our Board does not anticipate declaring any dividends in the foreseeable future. Further, if we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

**Recent Sales of Unregistered Securities**

Reference is made to the disclosures set forth below under Item 3.02 of this current report on Form 8-K, and that information is incorporated herein by reference.

**Description of New Pardes’s Securities**

The description of our securities is contained in the Proxy Statement/Prospectus in the section titled “Description of Securities After the Business Combination” and that information is incorporated herein by reference.

**Indemnification of Officers and Directors**

New Pardes has entered into indemnification agreements with each of its directors and executive officers as of the Closing Date. Each indemnification agreement provides for indemnification and advancements by New Pardes of certain expenses and costs relating to claims, suits or proceedings arising from his or her service to New Pardes or, at our request, service to other entities, as officers or directors to the maximum extent permitted by applicable law. The foregoing description of the indemnification agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of the indemnification agreements, forms of which are filed as Exhibits 10.6 and 10.7 to this Current Report on Form 8-K and are each incorporated herein by reference.

**Financial Statements and Exhibits**

The information set forth under Item 9.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 3.02. Unregistered Sales of Equity Securities.**

Concurrently with the execution of Merger Agreement, FSDC II entered into subscription agreements (the “Subscription Agreements”) with each of the PIPE Investors, pursuant to which, at the Closing, the PIPE Investors subscribed for and purchased an aggregate of 7,500,000 shares of Common Stock at a price of $10.00 per share for aggregate gross proceeds of $75,000,000.

The shares of Common Stock issued pursuant to the Subscription Agreements (the “PIPE Financing Shares”) have not been registered under the Securities Act in reliance upon the exemption provided in Section 4(a)(2) of the Securities Act. Pursuant to the Subscription Agreements, we agreed that, within 30 calendar days after the Closing Date, we will file with the SEC (at our sole cost and expense) a registration statement (the “Resale Registration Statement”) registering the resale of the PIPE Financing Shares. We will use our commercially reasonable efforts to have the Resale Registration Statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) 90 calendar days (or 120 calendar days if the SEC notifies us that it will review the Resale Registration Statement) following the filing thereof and (ii) five business days after we are notified by the SEC that the Resale Registration Statement will not be reviewed or will not be subject to further review.

We agreed to cause such Resale Registration Statement, or another shelf registration statement that includes the PIPE Financing Shares, to remain effective until the earliest of (x) the third anniversary of the Closing, (y) the date on which no PIPE Investor holds PIPE Financing Shares or (z) the first date on which each PIPE Investor is able to sell all of
its PIPE Financing Shares under Rule 144 of the Securities Act within 90 days without limitation as to the amount of such securities that may be sold and without the requirement for us to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable). The foregoing description of the Subscription Agreements does not purport to be complete and is qualified in its entirety by the terms and conditions thereof, forms of which are attached hereto as Exhibit 10.8 and is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

In connection with the consummation of the Transactions, FSDC II changed its name to “Pardes Biosciences, Inc.” and adopted an amended and restated certificate of incorporation, as amended further in the form of Advisory Charter Proposal B, as such term is defined in the Proxy Statement/Prospectus and amended and restated by-laws. Reference is made to the disclosure described in the Proxy Statement/Prospectus in the sections titled “The Charter Amendment Proposals”, “Comparison of Stockholder Rights”, “Description of Securities after the Business Combination,” which are incorporated herein by reference. This summary is qualified in its entirety by reference to the text of New Pardes’s second amended and restated certificate of incorporation and amended and restated by-laws, which are attached as Exhibits 3.1 and 3.2 hereto, respectively, and are incorporated herein by reference.

In accordance with Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), New Pardes is the successor issuer to FSDC II and has succeeded to the attributes of FSDC II as the registrant. In addition, the shares of Common Stock of New Pardes, as the successor to FSDC II, are deemed to be registered under Section 12(b) of the Exchange Act. Holders of uncertificated shares of FSDC II’s Class A common stock prior to the Closing have continued as holders of shares of uncertificated shares of New Pardes’s Common Stock. After consummation of the Transactions, the Common Stock were listed on the Nasdaq under the “PRDS,” and the CUSIP number relating to the Common Stock is 69945Q105. Holders of FSDC II’s shares who have filed reports under the Exchange Act with respect to those shares should indicate in their next filing, or any amendment to a prior filing, filed on or after the Closing Date that New Pardes is the successor to FSDC II.

Item 4.01 Changes in Registrant’s Certifying Accountant

(a) Dismissal of Previous Independent Registered Public Accounting Firm.

On December 23, 2021, the Audit Committee of New Pardes approved the dismissal of WithumSmith+Brown, PC (“Withum”) as the New Pardes’s independent registered public accounting firm, effective immediately.

The report of Withum on the financial statements of FS Development Corp. II for the period from August 21, 2020 (inception) through December 31, 2020 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. During the period from August 21, 2020 (inception) through December 31, 2020 and the subsequent interim period, there were no (i) disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and related instructions) with Withum on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Withum, would have caused Withum to make reference to the subject matter of the disagreements in its reports on the financial statements of the Company, or (ii) “reportable events” (as defined in Item 304(a)(1)(v) of Regulation S-K).

The Company has provided Withum with a copy of the disclosures it is making in this Item 4.01(a) of this Current Report on Form 8-K and requested that Withum furnish a letter addressed to the Securities and Exchange Commission stating whether it agrees with the statements above, and, if not, stating the respects in which it does not agree. A copy of Withum’s letter dated December 28, 2021 is filed as Exhibit 16.1 hereto.

(b) Engagement of New Independent Registered Public Accounting Firm.

On December 23, 2021, the Audit Committee approved the engagement of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2021. That engagement is effective immediately.
During the period from February 27, 2020 (inception) through December 31, 2020 and the subsequent interim period, neither New Pardes nor anyone on its behalf consulted with KPMG regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on New Pardes’ financial statements, and a written report or oral advice was provided to New Pardes that KPMG concluded was an important factor considered by New Pardes in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K or any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

Item 5.01. Changes in Control of Registrant.
Reference is made to the disclosure in the Proxy Statement/Prospectus in the section titled “Business Combination Proposal—The Merger Agreement,” which is incorporated herein by reference. Further reference is made to the information contained in Item 2.01 to this Current Report on Form 8-K, which is incorporated herein by reference.

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

Board of Directors
Upon the consummation of the Transactions, and in accordance with the terms of the Merger Agreement, each director, other than Dr. Tananbaum, and all executive officers of FSDC II ceased serving in such capacities and six new directors were appointed to the Board. The Board was divided into three staggered classes of directors and each director was assigned to one of the three classes. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the year 2022 for Class I directors, 2023 for Class II directors and 2024 for Class III directors. The Class I directors elected are J. Jay Lobell and Deborah M. Autor. The Class II directors elected are Michael D. Varney, Ph.D. and Laura J. Hamill. The Class III directors elected are Uri A. Lopatin, M.D., Mark Auerbach and James B. Tananbaum, M.D.

Furthermore, following the consummation of the transactions, the Board established four standing committees: an audit committee, a compensation committee, a nominating and corporate governance committee and a science and technology committee. The audit committee consists of Mark Auerbach (serves as Chair), Laura J. Hamill and J. Jay Lobell. The compensation committee consists of J. Jay Lobell (serves as Chair), Mark Auerbach and James B. Tananbaum, M.D. The nominating and corporate governance committee consists of Laura J. Hamill (serves as Chair), James B. Tananbaum, M.D. and Deborah M. Autor. The science and technology committee consists of Michael D. Varney, Ph.D. (serves as Chair) and Deborah M. Autor.

Following the Transactions, pursuant to our non-employee director compensation policy, which is designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors, each director who is not an employee will be paid cash compensation for serving on the Board, with such compensation to be paid on a quarterly basis in arrears:

<table>
<thead>
<tr>
<th>Annual Retainer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual service on the board of directors</td>
</tr>
<tr>
<td>Additional retainer for annual service as non-executive chairperson</td>
</tr>
<tr>
<td>Annual service as audit committee chairperson</td>
</tr>
<tr>
<td>Annual service as member of the audit committee (other than chair)</td>
</tr>
<tr>
<td>Annual service as compensation committee chairperson</td>
</tr>
<tr>
<td>Annual service as member of the compensation committee (other than chair)</td>
</tr>
<tr>
<td>Annual service as nominating and corporate governance committee chairperson</td>
</tr>
<tr>
<td>Annual service as member of the nominating and corporate governance committee (other than chair)</td>
</tr>
<tr>
<td>Annual service as science and technology committee chairperson</td>
</tr>
<tr>
<td>Annual service as member of the science and technology committee (other than chair)</td>
</tr>
</tbody>
</table>
In addition, our policy provides that, upon initial election or appointment to the Board, each non-employee director will be granted a non-statutory stock option to purchase 75,000 shares of our common stock of New Pardes on the date of such director’s election or appointment to the Board, (the “Director Initial Grant”), subject to market checks around the time the award is granted. The Director Initial Grant will vest in substantially equal monthly installments over the three years, subject to a continued service relationship with New Pardes. On the date of each annual meeting of stockholders of New Pardes, each non-employee director who will continue as a non-employee director following such meeting will be granted an annual award of a non-statutory stock option to purchase 37,500 shares of common stock of New Pardes, (the “Director Annual Grant”), subject to market checks around the time the award is granted. If a new non-employee director joins the Board and receives a Director Initial Grant within three months of the annual meeting of stockholders, then such non-employee director will not be granted a Director Annual Grant at that annual meeting of stockholders. The Director Annual Grant will vest in substantially equal monthly installments over twelve months but shall vest in full on the date of our next annual meeting of stockholders if earlier than the first anniversary of the grant date, subject to a continued service relationship with New Pardes. The Director Initial Grant and Director Annual Grant are subject to full acceleration vesting upon the sale of New Pardes. All of the foregoing stock options would be granted with a per share exercise price equal to the fair market value of a share of our common stock on the date of grant and would have a 10-year term.

**Executive Officers**

Upon consummation of the Transactions, the following individuals were appointed to serve as executive officers of New Pardes:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uri A. Lopatin, M.D.</td>
<td>President, Chief Executive Officer and Director</td>
</tr>
<tr>
<td>Heidi Henson</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Lee D. Arnold, Ph.D.</td>
<td>Chief Scientific Officer</td>
</tr>
<tr>
<td>Brian P. Kearney, PharmD</td>
<td>Chief Development Officer</td>
</tr>
<tr>
<td>Sean P. Brusky</td>
<td>Chief Commercial Officer</td>
</tr>
<tr>
<td>Elizabeth H. Lacy</td>
<td>General Counsel and Corporate Secretary</td>
</tr>
<tr>
<td>Philippe Tinmouth</td>
<td>Chief Business and Strategy Officer</td>
</tr>
</tbody>
</table>

Reference is made to the disclosure described in the Proxy Statement/Prospectus in the section titled “Management After the Business Combination,” which is incorporated herein by reference.

**Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan**

At the Special Meeting, our stockholders considered and approved the 2021 Stock Option and Incentive Plan (the “2021 Plan”). Following the Closing, the 2021 Plan assumed outstanding equity awards under the Old Pardes 2020 Stock Option and Grant Plan (the “Old Pardes Plan”), (and such assumed awards will count against the share reserve under the 2021 Plan), and no further grants will be made under the Old Pardes Plan. Furthermore, the 2021 Plan allows the Company to grant stock options, restricted stock unit awards and other awards at levels determined appropriate by its Board or compensation committee. The 2021 Plan will also allow the Company to utilize a broad array of equity incentives and performance-based cash incentives in order to secure and retain the services of its employees, directors and consultants, and to provide long-term incentives that align the interests of its employees, directors and consultants with the interests of its stockholders.

The material features of the 2021 Plan include:

- Initially, the maximum number of shares of Common Stock that may be issued under the 2021 Plan is 13,000,000 shares. The number of shares of Common Stock reserved for issuance under the 2021 Plan will automatically increase on January 1 of each year, beginning on January 1, 2022 by 5% of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by the administrator of the 2021 Plan;
• The award of stock options (both incentive and non-qualified options), stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, cash-based awards, and dividend equivalent rights is permitted;
• Stock options and stock appreciation rights will not be repriced in any manner without stockholder approval;
• The value of all awards awarded under the 2021 Plan and all other cash compensation paid by us to any non-employee director in any calendar year may not exceed $750,000 or $1,000,000 for the year in which a non-employee director is first appointed or elected to the Company’s Board;
• Certain amendments to the 2021 Plan are subject to approval by our stockholders; and
• The term of the 2021 Plan will expire on the tenth anniversary of the effective date that the 2021 Plan was approved by the Board.

A more complete summary of the terms of the 2021 Plan is set forth in the Proxy Statement/Prospectus in the section titled “The Incentive Plan Proposal”. That summary and the foregoing description of the 2021 Plan does not purport to be complete and is qualified in its entirety by reference to the text of the 2021 Plan, which is attached as Exhibit 10.4 hereto and incorporated herein by reference.

Employment Arrangements and Severance Agreements with Pardes’s Named Executive Officers

Old Pardes has offer letters with each of its named executive officers. Following the Closing, New Pardes adopted an executive severance plan (the “Executive Severance Plan”), which provides for certain payments and benefits in the event of a termination of employment, including an involuntary termination of employment in connection with a change in control of the Company. Upon each of the named executive officers executing a participation letter, such executive officer will participate in the Executive Severance Plan and the terms of the Executive Severance Plan will replace the severance provisions in such named executive officers’ offer letters to the extent provided in the Executive Severance Plan.

Offer Letters

Uri A. Lopatin, M.D. In April 2020, we entered into an offer letter with Dr. Lopatin, or the First Lopatin Offer Letter, and further amended and restated the First Lopatin Offer Letter on December 23, 2020, or the A&R Lopatin Offer Letter. Dr. Lopatin currently serves as our Chief Executive Officer. The A&R Lopatin Offer Letter provides for Dr. Lopatin’s at-will employment. Dr. Lopatin’s current annual base salary is $450,000, which is subject to review and modification, provided, however, that Dr. Lopatin entered into a salary deferral agreement with Pardes pursuant to which a portion of Dr. Lopatin’s 2020 base salary was deferred until the earlier of March 15, 2021 or an Equity Financing as defined in the salary deferral agreement. In addition, Dr. Lopatin is eligible to earn an annual bonus with a target amount equal to 50% of his annual base salary and to participate in our benefit plans generally. The First Lopatin Offer Letter also provided for a grant of a restricted stock award representing 4,000,000 shares of common stock of Pardes, or the Lopatin Shares. The Lopatin Shares are subject to a repurchase by Pardes upon certain circumstances, which repurchase restrictions shall lapse in accordance with the following schedule: 25% of the Lopatin Shares shall no longer be subject to repurchase by Pardes upon the first anniversary of the date of commencement of Dr. Lopatin’s employment and such restrictions shall continue to lapse in equal monthly installments for three years thereafter, in each case subject to Dr. Lopatin’s continued service relationship with Pardes through each applicable date. As a condition to Dr. Lopatin’s employment under the First Lopatin Offer Letter and continued employment under the A&R Lopatin Offer, Dr. Lopatin is subject to Pardes’s Confidential Information and Invention Assignment agreement.

Pursuant to the A&R Lopatin Offer Letter, in the event that Dr. Lopatin’s employment is terminated by Pardes without “cause” (and other than due to Dr. Lopatin’s death or disability) or Dr. Lopatin resigns for “good reason” (as each terms are defined in the A&R Lopatin Offer Letter) (each such termination a “qualifying termination”), subject to the execution and effectiveness of a general release of claims, Dr. Lopatin will be entitled to receive (i) twelve months of base salary continuation, (ii) subject to the Dr. Lopatin’s timely election to continue COBRA health coverage, continued medical coverage, fully paid by Pardes under Pardes medical plan for up to twelve months following termination, (iii) 12 months of accelerated vesting of all outstanding equity awards held by Dr. Lopatin and (iv) outplacement assistance.

Pursuant to the A&R Lopatin Offer Letter, in the event that Dr. Lopatin experiences a qualifying termination during the “change in control period” (as such term is defined in the A&R Lopatin Offer Letter), subject to the execution and effectiveness of a general release of claims, he will be entitled to receive (in lieu of the severance payments and
benefits above), (i) twelve months of base salary continuation, (ii) lump sum payment equal to Dr. Lopatin’s target bonus for the year of termination, (iii) subject to the Dr. Lopatin’s timely election to continue COBRA health coverage, continued medical coverage, fully paid by Pardes under Pardes’s medical plan for up to twelve months following termination, (iv) full accelerated vesting of all outstanding equity awards held by Dr. Lopatin and (v) outplacement assistance.

Lee D. Arnold, Ph.D. In April 2020, we entered into an employment agreement with Dr. Arnold, or the First Arnold Offer Letter, and further amended and restated the First Arnold Offer Letter on December 23, 2020, or the A&R Arnold Offer Letter. Dr. Arnold currently serves as our Chief Scientific Officer. The A&R Arnold Offer Letter provides for Dr. Arnold’s at-will employment. Dr. Arnold’s current annual base salary is $366,000, which is subject to review and modification. In addition, Dr. Arnold is eligible to earn an annual bonus with a target amount equal to 40% of his annual base salary and to participate in our benefit plans generally. In addition, the First Arnold Offer Letter provided for a grant of a restricted stock award representing 2,000,000 shares of common stock of Pardes, or the Arnold Shares. The Arnold Shares are subject to a repurchase by Pardes upon certain circumstances, which repurchase restrictions shall lapse in accordance with the following schedule: 25% of the Arnold Shares shall no longer be subject to repurchase by Pardes upon the first anniversary of the date of commencement of Dr. Arnold’s employment and such restrictions shall continue to lapse in equal monthly installments for three years thereafter, in each case subject to Dr. Arnold’s continued service relationship with Pardes through each applicable date. As a condition to the First Arnold Offer Letter and continued employment under the A&R Arnold Offer Letter, Dr. Arnold is subject to Pardes’s standard Proprietary Information, Inventions and Assignment Agreement.

Pursuant to the A&R Arnold Offer Letter, in the event that Dr. Arnold’s employment is terminated by Pardes without “cause” (and other than due to Dr. Arnold’s death or disability) or Dr. Arnold resigns for “good reason” (as each terms are defined in the A&R Arnold Offer Letter) (each such termination a “qualifying termination”), subject to the execution and effectiveness of a general release of claims, Dr. Arnold will be entitled to receive (i) nine months of base salary continuation, (ii) subject to the Dr. Arnold’s timely election to continue COBRA health coverage, continued medical coverage, fully paid by Pardes under Pardes medical plan for up to nine months following termination, (iii) nine months of accelerated vesting of all outstanding equity awards held by Dr. Arnold and (iv) outplacement assistance.

Pursuant to the A&R Arnold Offer Letter, in the event that Dr. Arnold experiences a qualifying termination during the “change in control period” (as such term is defined in the A&R Arnold Offer Letter), subject to the execution and effectiveness of a general release of claims, he will be entitled to receive (in lieu of the severance payments and benefits above), (i) nine months of base salary continuation, (ii) lump sum payment equal to Dr. Arnold’s target bonus for the year of termination, (iii) subject to the Dr. Arnold’s timely election to continue COBRA health coverage, continued medical coverage, fully paid by Pardes under Pardes’s medical plan for up to nine months following termination, (iv) full accelerated vesting of all outstanding equity awards held by Dr. Arnold and (v) outplacement assistance.

Brian P. Kearney, PharmD In September 2020, we entered into an offer letter with Dr. Kearney, as amended by Amendment No. 1 to Kearney Offer Letter on December 23, 2020, or the Kearney Offer Letter. Dr. Kearney currently serves as our Chief Development Officer. The Kearney Offer Letter provides for Dr. Kearney’s at-will employment. Dr. Kearney’s current annual base salary is $420,000, which is subject to review and modification provided, however, that Dr. Kearney entered into a salary deferral agreement with Pardes pursuant to which a portion of Dr. Kearney’s 2020 base salary was deferred until the earlier of March 15, 2021 or an Equity Financing as defined in the salary deferral agreement. In addition, Dr. Kearney is eligible for an annual bonus with a target amount equal to 40% of his annual base salary and participate in our benefit plans generally. In addition, the Kearney Offer Letter provides for a grant of a restricted stock award representing 325,000 shares of common stock of Pardes, or the Kearney Shares. The Kearney Shares are subject to a repurchase by Pardes upon certain circumstances, which repurchase restrictions shall lapse in accordance with the following schedule: 25% of the Kearney Shares shall no longer be subject to repurchase by Pardes upon the first anniversary of the date of commencement of employment of Dr. Kearney and such restrictions shall continue to lapse in equal monthly installments for three years thereafter, in each case subject to Dr. Kearney’s continued service relationship with Pardes through each applicable date. As a condition to the Kearney Offer Letter, Dr. Kearney is subject to Pardes’s standard Proprietary Information, Inventions and Assignment Agreement.
Pursuant to the Kearney Offer Letter, in the event that Dr. Kearney’s employment is terminated by Pardes without “cause” (as defined in the Executive Severance Plan), death or “disability” (as defined in the Executive Severance Plan), or upon a resignation by an eligible participant for “good reason” (as defined in the Executive Severance Plan), in either case outside of the “change in control period” (i.e., the period beginning three months prior to the date of a “change in control” (as defined in the Executive Severance Plan) and ending on the one-year anniversary of the change in control), the participant will be entitled to receive, subject to the execution and delivery of a separation agreement and release containing, among other provisions, an effective release of claims in favor of the Company and reaffirmation of the “restrictive covenants agreement” (as defined in the Executive Severance Plan), (i) a severance amount equal to 12 months for the Tier 1 Executive (i.e., the Company’s CEO), 9 months for each Tier 2 Executive (i.e., the C-level executives of the Company, including the named executive officers other than the CEO) and six months for each Tier 3 Executive (i.e., the VP-level executives of the Company), of the participant’s annual base salary in effect immediately prior to such termination, and (ii) up to 12 for the Tier 1 Executive, 9 for each Tier 2 Executive and 6 for each Tier 3 Executive, monthly cash payments equal to the monthly employer contribution that we would have made to provide health insurance for the applicable participant if he or she had remained employed by us, based on the premiums as of the date of termination, in each case payable over 12 months for the Tier 1 Executive, 9 months for each Tier 2 Executive and 6 months for each Tier 3 Executive. In addition, for the Tier 1 Executive and each Tier 2 Executive, with respect to outstanding and unvested equity awards held by the participant and granted prior to the effective date of the Executive Severance Plan, such equity awards will be subject to any acceleration of vesting provisions as specified in the terms of the applicable award agreements.

The Executive Severance Plan also provides that upon a termination of employment by us other than for “cause”, death or disability or upon a resignation by an eligible participant for good reason, in either case within the change in control period, the participant will be entitled to receive, in lieu of the payments and benefits described above and subject to the execution and delivery of an a separation agreement and release containing, among other provisions, an effective release of claims in favor of the Company and reaffirmation of the restrictive covenants agreement, (i) a lump sum cash severance amount equal to 150% for the Tier 1 Executive, 100% for each Tier 2 Executive, and 50% for each Tier 3 Executive, of the participant’s annual base salary in effect immediately prior to such termination (or the participant’s annual base salary in effect for the year immediately prior to the year of termination, if higher), (ii) a lump sum amount equal to 150% for the Tier 1 Executive, 100% for each Tier 2 Executive, and 50% for each Tier 3 Executive, of the participant’s annual target bonus in effect immediately prior to such termination (or the participant’s annual target bonus in effect immediately prior to the change in control, if higher), (iii) a lump sum amount equal to the monthly employer contribution that we would have made to provide health insurance for the participant if he or she had remained employed by us for 18 months for the Tier 1 Executive, 12 months for each Tier 2 Executive, and 6 months for each Tier 3 Executive, following the date of termination, based on the premiums as of the date of termination, and (iv) for all outstanding and unvested equity awards of the Company that are subject to

Pardes Biosciences Inc. Executive Severance Plan

The Executive Severance Plan provides that upon a termination of employment by us other than for “cause” (as defined in the Executive Severance Plan), death or “disability” (as defined in the Executive Severance Plan), or upon a resignation by an eligible participant for “good reason” (as defined in the Executive Severance Plan), subject to the execution and effectiveness of a general release of claims, Dr. Kearney will be entitled to receive (i) nine months of base salary continuation, (ii) subject to the Dr. Kearney’s timely election to continue COBRA health coverage, continued medical coverage, fully paid by Pardes under Pardes medical plan for up to nine months following termination, (iii) 9 months of accelerated vesting of all outstanding equity awards held by Dr. Kearney and (iv) outplacement assistance.

Pursuant to the Kearney Offer Letter, in the event that Dr. Kearney experiences a qualifying termination during the “change in control period” (as such term is defined in the A&R Kearney Offer Letter), subject to the execution and effectiveness of a general release of claims, he will be entitled to receive (in lieu of the severance payments and benefits above), (i) nine months of base salary continuation, (ii) lump sum payment equal to Dr. Kearney’s target bonus for the year of termination, (iii) subject to the Dr. Kearney’s timely election to continue COBRA health coverage, continued medical coverage, fully paid by Pardes under Pardes’s medical plan for up to nine months following termination, (iv) full accelerated vesting of all outstanding equity awards held by Dr. Kearney and (v) outplacement assistance.

The foregoing description of the offer letters with each of Dr. Lopatin, Dr. Arnold and Mr. Kearney does not purport to be complete and is qualified in its entirety by the terms and conditions of the offer letters, which are filed herewith as Exhibits 10.9, 10.10, 10.11 and 10.12, respectively, and incorporated herein by reference.
time-based vesting held by the participant, full accelerated vesting of such awards; provided, that any outstanding and unvested equity awards subject to performance conditions may become vested, exercisable and/or nonforfeitable in the plan administrator’s discretion or to the extent specified in the applicable award agreement.

The payments and benefits provided under the Executive Severance Plan in connection with a change in control may not be eligible for a federal income tax deduction by us pursuant to Section 280G of the Internal Revenue Code. These payments and benefits may also subject an eligible participant to an excise tax under Section 4999 of the Internal Revenue Code. If the payments or benefits payable to an eligible participant in connection with a change in control would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, then those payments or benefits will be reduced if such reduction would result in a greater net after-tax benefit to the applicable participant.

The foregoing description of the Executive Severance Plan does not purport to be complete and is qualified in its entirety by the terms and conditions of the Executive Severance Plan, which is filed herewith as Exhibit 10.13 and incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.
The disclosure set forth in Item 3.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.06. Change in Shell Company Status.
As a result of the Transactions, New Pardes ceased to be a shell company upon the Closing. The material terms of the Transactions are described in the section entitled “Business Combination Proposal” of the Proxy Statement/Prospectus and are incorporated herein by reference.

Item 8.01. Other Events.
In connection with the Closing, (i) the issued and outstanding FSDC II Class B Common Stock were automatically converted, on a one-for-one basis, into shares of FSDC II Class A Common Stock and (ii) the issued and outstanding shares of FSDC II Class A Common Stock were automatically converted, on a one-for-one basis, into shares of Common Stock of New Pardes.

Item 9.01. Financial Statements and Exhibits.
(a) Financial statements of businesses acquired.
The audited financial statements of Old Pardes for the period from February 27, 2020 (inception) through December 31, 2020, the related notes and report of independent registered public accounting firm, as well as the unaudited financial statements for the period from February 27, 2020 (inception) through September 30, 2020 and for the nine month period ended September 30, 2021, and the related notes are set forth in the Proxy Statement/Prospectus beginning on page F-35 and are incorporated herein by reference.

The audited financial statements of FSDC II for the period from August 21, 2020 (inception) through December 31, 2020 and the related notes and report of independent registered public accounting firm, are set forth in the Proxy Statement/Prospectus beginning on page F-22 and are incorporated herein by reference.

The unaudited financial statements of FSDC II for the period from August 21, 2020 (inception) through September 30, 2020 and for the three and nine month periods ended September 30, 2021, and the related notes, are set forth in the Proxy Statement/Prospectus beginning on page F-2 and are incorporated herein by reference.

(b) Pro forma financial information.
Certain unaudited pro forma combined financial information is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

(d) Exhibits.

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<tr>
<th>Exhibit Number</th>
<th>Description</th>
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<tr>
<td>2.1†</td>
<td>Merger Agreement, dated as of June 29, 2021 and as amended on November 7, 2021, by and among Pardes Biosciences, Inc., Shareholder Representative Services LLC, FS Development Corp. II, and Orchard Merger Sub, Inc. as amended by Amendment No. 1 dated November 7, 2021 (incorporated by reference to Annex A to the Proxy Statement/Prospectus).</td>
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3.1 Second Amended and Restated Certificate of Incorporation of FS Development Corp. II (incorporated by reference to Exhibit 3.1 on Form 8-A12B/A filed on December 23, 2021).

3.2 Amended and Restated By-laws of Pardes Biosciences, Inc. (incorporated by reference to Exhibit 3.2 on Form 8-A12B/A filed on December 23, 2021).

4.1 Form of Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 on Form S-4/A filed on November 17, 2021).

10.1 Registration Rights Agreement, dated December 23, 2021, by and among Pardes Biosciences, Inc. and the stockholders party thereto (incorporated by reference to Exhibit 10.1 on Form 8-A12B/A filed on December 23, 2021).

10.2* Voting Agreement, dated December 23, 2021, by and among Pardes Biosciences, Inc. and the other parties thereto.

10.3* Lockup Agreement, dated December 23, 2021, by and among Pardes Biosciences, Inc. and the other parties thereto.

10.4 2021 Stock Option and Incentive Plan (incorporated by reference to Annex E to the Proxy Statement/Prospectus).

10.5* Forms of Award Agreements under the 2021 Stock Option and Incentive Plan.

10.6* Form of Indemnification Agreement for Directors of Pardes Biosciences, Inc.

10.7* Form of Indemnification Agreement for Executive Officers of Pardes Biosciences, Inc.

10.8 Form of Subscription Agreement (incorporated by reference to Annex F to the Proxy Statement/Prospectus).

10.9** Amended and Restated Offer Letter, dated December 23, 2020, by and between Pardes Biosciences, Inc. and Uri A. Lopatin, M.D.

10.10** Amended and Restated Offer Letter, dated December 23, 2020, by and between Pardes Biosciences, Inc. and Lee D. Arnold, Ph.D.

10.11** Offer Letter, dated September 21, 2020, by and between Pardes Biosciences, Inc. and Brian P. Kearney, PharmD.

10.12** Amendment No. 1 to Offer Letter, dated December 23, 2020, by and between Pardes Biosciences, Inc. and Brian P. Kearney, PharmD.

10.13** Executive Severance Plan


10.15 Old Pardes Support Agreement, dated as of June 29, 2021, by and among FS Development Corp. II and certain supporting stockholders of Pardes Biosciences, Inc. (incorporated by reference to Exhibit 10.2 of FS Development Corp. II’s Current Report on Form 8-K, filed with the SEC on June 29, 2021).

10.16 FS Development Corp. II Support Agreement, dated as of June 29, 2021, by and among FS Development Corp. II, Pardes Biosciences, Inc., FS Development Holdings II, LLC and certain supporting stockholders of FS Development Corp. II (incorporated by reference to Exhibit 10.1 of FS Development Corp. II’s Current Report on Form 8-K, filed with the SEC on June 29, 2021).

10.17 Letter Agreement dated as of February 16, 2021, by and among FS Development Corp. II, FS Development Corp. II’s officers and directors, and FS Development Holdings II, LLC (incorporated by reference to Exhibit 10.4 of FS Development Corp. II’s Current Report on Form 8-K, filed with the SEC on February 19, 2021).


21.1* List of Subsidiaries

99.1* Unaudited Pro Forma Combined Financial Information.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
† Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.
^ Pursuant to Item 601(b)(10) of Regulation S-K, certain portions of this exhibit have been omitted (indicated by “[***]”) because the Company has determined that the information is not material and is the type that the Company treats as private or confidential.
+ Management contract or compensation plan or arrangement.
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.

PARDES BIOSCIENCES, INC.

By: /s/ Uri Lopatin
Name: Uri Lopatin
Title: Chief Executive Officer, President and Director

Date: December 30, 2021
VOTING AGREEMENT

This VOTING AGREEMENT (this “Agreement”) is dated as of December 23, 2021 and is by and among FS Development Holdings II, LLC, a Delaware limited liability company (“Sponsor”), Pardes Biosciences, Inc. (f/k/a FS Development Corp. II), a Delaware corporation (the “Company”), and each of the individuals and entities executing a counterpart signature page to this Agreement (each, a “Voting Party”, and, collectively, the “Voting Parties”).

RECITALS

WHEREAS, reference is made to that certain Agreement and Plan of Merger, dated as of June 29, 2021 (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of November 7, 2021, the “Merger Agreement”), by and among the Company, Orchard Merger Sub, Inc., a Delaware corporation (“Merger Sub”), Shareholder Representative Services LLC, a Colorado limited liability company, as the Stockholders’ Representative, and Pardes Biosciences Sub, Inc. (f/k/a Pardes Biosciences, Inc.), a Delaware corporation (“Pardes”);

WHEREAS, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Merger Agreement;

WHEREAS, pursuant to the Merger Agreement and simultaneously with the execution and delivery of this Agreement, Merger Sub is being merged with and into Pardes, with Pardes being the Surviving Corporation, as a result of which Pardes will be the wholly-owned subsidiary of the Company; and

WHEREAS, the execution and delivery of this Agreement is a condition to the closing of the Merger and the other transactions contemplated by the Merger Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sponsor, the Company and each Voting Party, intending to be legally bound, agree as follows:

AGREEMENT

1. Agreement to Vote. During the Term (as defined below), each Voting Party agrees to vote all voting securities of the Company that it owns from time to time and may vote in the election of the Company’s directors (collectively, “Voting Shares”) in accordance with the provisions of this Agreement, whether at a regular or special meeting of stockholders or by written consent.

2. Board of Directors.

2.1 Immediately following the consummation of the Merger, or as soon as practicable thereafter, the Company board of directors (the “Board”) will be comprised of seven (7) directors, which shall be divided into three (3) classes, designated Class I, II and III, with Class I consisting of two (2) Directors (the “Class I Directors”), Class II consisting of two (2) Directors (the “Class II Directors”) and Class III consisting of three (3) Directors (the “Class III Directors”). J. Jay Lobell and Deborah M. Autor shall constitute the initial Class I Directors and shall be nominated in Class I, the members of which shall have an initial term that expires at the annual meeting of stockholders of the Company held in 2022; Michael D. Varney, Ph.D. and Laura J. Hamill shall constitute the Class II Directors and shall be nominated in Class II, the members of which shall have an initial term that expires at the annual meeting of stockholders of the Company held in 2023; and Uri A. Lopatin, M.D., Mark Auerbach and James B. Tananbaum, M.D. shall
constitute the initial Class III Directors and shall be nominated in Class III, the members of which shall have an initial term that expires at the annual meeting of stockholders held in 2024. The full seven (7) member Board will be comprised as set forth in the preceding sentence with James B. Tananbaum, M.D. having been designated as a Class III Director by Sponsor and the other six (6) members having been designated as a Class I, Class II or Class III Director as specified above by the Pardes board of directors. At least a majority of the Board shall qualify as Independent Directors.

2.2 Through the consummation of the 2024 annual stockholders meeting (the “Term”), at each annual or special meeting of stockholders of the Company for the election of Class III Directors, Sponsor shall have the right to designate for election as a member of the Board, and the Board (including any committee thereof) shall nominate (and recommend for election and include such recommendation in a timely manner in any proxy statement, consent solicitation or other applicable announcement to the Company’s stockholders), one (1) individual to serve as a Class III Director; provided, however, if at any time during the Term the Sponsor owns less than 1,385,937 shares of Class A Common Stock of the Company (as adjusted for any share split, share dividend or other share recapitalization, share exchange or other event), the rights of the Sponsor and the obligations of the Board under this Section 2.2 shall automatically terminate. For avoidance of doubt, Sponsor shall not have more than one (1) individual nominee serving as a Class III Director at any time during the Term.

2.3 Through the consummation of the 2022 annual stockholders meeting, the Pardes’ board of directors as constituted immediately prior to the Effective Time shall have the right to designate for election as a member of the Board, and the Board (including any committee thereof) shall nominate (and recommend for election and include such recommendation in a timely manner in any proxy statement, consent solicitation or other applicable announcement to the Company’s stockholders), (a) one (1) individual to serve as a Class I Director, two (2) individuals to serve as Class II Directors and one (1) individual to serve as a Class III Director for the initial term of such directors and (b) up to two (2) additional Independent Directors.

2.4 All Directors shall hold office, subject to their earlier death, resignation or removal in accordance with this Agreement and applicable Law, until their respective successors shall have been elected and qualified.

2.5 All Directors elected in accordance with Section 2.2 during the initial term of the Class III Director designated thereunder or Section 2.3 during the initial term of the Class I Director, Class II Directors or Class III Director designated thereunder, as applicable, shall be removed from the Board only (a) upon the vote or written consent of the Voting Party that is entitled to designate such Director under Section 2.2 or Section 2.3, as applicable or (b) pursuant to the vote of the Company’s stockholders at any annual or special meeting of stockholders. Upon any individual elected as provided in Section 2.2 or Section 2.3, as applicable, ceasing to be a member of the Board, whether by death, resignation or removal or otherwise, only the Voting Party that was entitled to designate such individual under Section 2.2 or Section 2.3, as applicable, shall have the right to fill any resulting vacancy in the Board; provided that such Voting Party still has the right to designate the applicable director pursuant to Section 2.2 or Section 2.3, as applicable.

2.6 Nothing in this Agreement shall prevent the Board from increasing the size of the Board or decreasing the size of the Board (but not below five (5) directors) after the Effective Time and, with respect to increases in the size of the Board, to assign such additional directors among the applicable class of directors as appropriate.
3. Successors in Interest of the Voting Parties and the Company. The provisions of this Agreement shall be binding upon the successors in interest of any Voting Party with respect to any of such Voting Party’s Voting Shares or any voting rights therein, unless the Voting Shares are (a) sold on a national securities exchange on which the Company common stock is listed for trading on the date in question or (b) transferred by such Voting Party to a Person that is not Controlled by such Voting Party.

4. Grant of Proxy. The parties agree that this Agreement does not constitute the granting of a proxy to any party or any other person; provided, however, that, should the provisions of this Agreement be construed to constitute the granting of proxies, such proxies shall be deemed coupled with an interest and are irrevocable for the term of this Agreement.

5. Specific Enforcement. It is agreed and understood that (a) monetary damages would not adequately compensate an injured party for the breach of this Agreement by any party hereto, (b) this Agreement shall be specifically enforceable and (c) any breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto waives any claim or defence that there is an adequate remedy at law for such breach or threatened breach and agrees that a party’s rights would be materially and adversely affected if the obligations of the other parties under this Agreement were not carried out in accordance with the terms and conditions hereof.

6. Manner of Voting. The voting of the Voting Shares pursuant to this Agreement may be effected in person, by proxy, by written consent or in any other manner permitted by applicable law.

7. Termination. This Agreement shall terminate on the last day of the Term.

8. Amendments and Waivers. Except as otherwise provided herein, any provision of this Agreement may be amended, or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and Sponsor.

9. Stock Splits, Stock Dividends, etc. In the event of any stock split, stock dividend, recapitalization, reorganization or the like, any securities issued with respect to Voting Shares held by the Voting Parties shall become Voting Shares for purposes of this Agreement.

10. Severability. In the event that any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11. Governing Law. This Agreement and the legal relations between the parties arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware without reference to its conflicts of law provisions.

12. Counterparts; Electronic Execution or Delivery. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This Agreement may be executed electronically; any executed counterpart of this Agreement may be delivered by facsimile or electronic mail; and any such electronically executed or delivered copy of a counterpart signature page shall have the same force and effect as an originally executed copy hereof.
13. Successors and Assigns. Except as otherwise expressly provided in this Agreement, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

14. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the parties, and supersedes any prior agreement or understanding among the parties, with regard to the subject hereof, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein.

[Remainder of page intentionally left blank; signature pages follow]
IN WITNESS WHEREOF, this Voting Agreement is hereby executed effective as of the date first set forth above.

FS DEVELOPMENT HOLDINGS II, LLC

By: /s/ Jim Tananbaum
Name: Jim Tananbaum
Title: Authorized Signatory

PARDES BIOSCIENCES, INC. (f/k/a FS Development Corp. II)

By: /s/ Uri A. Lopatin
Name: Uri A. Lopatin, M.D.
Title: Chief Executive Officer and President

[Signature Page to Voting Agreement]
VOTING PARTIES:

KHOSLA VENTURES VII, LP

By: Khosla Ventures VII, LLC, a Delaware limited liability company and general partner of Khosla Ventures VII, LP

By: /s/ John Demeter
Name: John Demeter
Title: General Counsel

KHOSLA VENTURES SEED D, LP

By: Khosla Ventures Seed Associates D, LLC, a Delaware limited liability company and general partner of Khosla Ventures Seed D, LP

By: /s/ John Demeter
Name: John Demeter
Title: General Counsel

[Signature Page to Voting Agreement]
VOTING PARTIES:

FORESITE CAPITAL FUND V, L.P.
By: Foresite Capital Management V, LLC, its general Partner
By: /s/ Dennis D. Ryan
Name: Dennis D. Ryan
Title: Chief Financial Officer

FORESITE CAPITAL OPPORTUNITY FUND V, L.P.
By: Foresite Capital Opportunity Fund V, L.P., its general partner
By: /s/ Dennis D. Ryan
Name: Dennis D. Ryan
Title: Chief Financial Officer

[Signature Page to Voting Agreement]
VOTING PARTIES:

GMF PARDES LLC

By: /s/ J. Jay Lobell
Name: J. Jay Lobell
Title: Managing Member

[Signature Page to Voting Agreement]
<table>
<thead>
<tr>
<th>VOTING PARTIES:</th>
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<tbody>
<tr>
<td>LOPATIN DESCENDANTS’ TRUST</td>
</tr>
<tr>
<td>By: /s/ Uri A. Lopatin</td>
</tr>
<tr>
<td>Name: Uri A. Lopatin, M.D.</td>
</tr>
<tr>
<td>Title: Trustee</td>
</tr>
<tr>
<td>By: /s/ Katherine Lopatin</td>
</tr>
<tr>
<td>Name: Katherine Lopatin</td>
</tr>
<tr>
<td>Title: Trustee</td>
</tr>
</tbody>
</table>

/s/ Uri A. Lopatin

Uri A. Lopatin, M.D.

[Signature Page to Voting Agreement]
VOTING PARTIES:

/s/ Lee D. Arnold
Lee D. Arnold, Ph.D.

[Signature Page to Voting Agreement]
VOTING PARTIES:

/s/ Heidi Henson
Heidi Henson

[Signature Page to Voting Agreement]
VOTING PARTIES:

/s/ Elizabeth Lacy

Elizabeth Lacy

[Signature Page to Voting Agreement]
LOCK-UP AGREEMENT

This LOCK-UP AGREEMENT (this “Agreement”) is dated as of December 23, 2021 and is between Pardes Biosciences, Inc. (f/k/a FS Development Corp. II), a Delaware corporation (“PubCo”), and each of the stockholder parties identified on Exhibit A hereto (collectively, the “Stockholder Parties”).

BACKGROUND:

WHEREAS, reference is made to that certain Agreement and Plan of Merger, dated as of June 29, 2021 (as amended by Amendment No. 1 to Agreements and Plan of Merger, dated as of November 7, 2021, the “Merger Agreement”), by and among PubCo, Orchard Merger Sub, Inc., a Delaware corporation, Shareholder Representative Service LLC, a Colorado limited liability, as the Stockholders’ Representative, and Pardes Biosciences Sub, Inc. (f/k/a Pardes Biosciences, Inc.), a Delaware corporation;

WHEREAS, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Merger Agreement;

WHEREAS, as a result of the Merger Agreement, each Stockholder Party is, or shall be, the owner of record, or beneficially of, certain shares of PubCo Common Stock or securities exercisable for PubCo Common Stock (the “Lock-Up Shares”) (provided, however, that with respect to Foresite Capital Opportunity Fund V, L.P. and Foresite Capital Fund V, L.P. (together, the “Sponsor Stockholder Parties”), Lock-Up Shares will not include any shares of PubCo Common Stock owned (of record or beneficially) by such Sponsor Stockholder Party as a result of either (i) the Subscription Agreement entered into by such Sponsor Stockholder Party contemporaneously with the Merger Agreement or (ii) the subscription agreement entered into by such Stockholder Party pursuant to Section 5 of the Parent Support Agreement; and

WHEREAS, the execution and delivery of this Agreement is a condition to the closing of the Merger and the other Transactions.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PubCo and each Stockholder Party, intending to be legally bound, agree as follows:

ARTICLE I
INTRODUCTORY MATTERS

1.1 Defined Terms. In addition to the terms defined elsewhere herein, the following terms have the following meanings when used herein with initial capital letters:

“Agreement” has the meaning set forth in the Preamble.
“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

“Lock-Up Period” has the meaning set forth in Section 2.1(g).

“Lock-Up Shares” has the meaning set forth in the Recitals.

“Merger Agreement” has the meaning set forth in the Recitals.

“PubCo” has the meaning set forth in the Preamble.

“Stockholder Parties” has the meaning set forth in the Preamble.

“Transfer” has the meaning set forth in Section 2.1(b).

1.2 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party. Unless the context otherwise requires: (a) “or” is disjunctive but not exclusive, (b) words in the singular include the plural, and in the plural include the singular and (c) the words “hereof”, “herein”, and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section references are to sections of this Agreement unless otherwise specified.

ARTICLE II
LOCK-UP

2.1 Lock-Up.

(a) Each Stockholder Party agrees that such Stockholder Party shall not Transfer any Lock-Up Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for any Lock-Up Shares (whether such Lock-Up Shares or any such securities are held by such Stockholder Party as of the date of this Agreement or are thereafter acquired) for a period of one-hundred eighty (180) days following the Closing Date (the "Lock-Up Period"). The foregoing restriction is expressly agreed to preclude each Stockholder Party during the Lock-Up Period from engaging in any hedging or other transaction which is designed to, or which reasonably could be expected to, lead to or result in a sale or disposition of such Stockholder Party’s Lock-Up Shares even if such Lock-Up Shares would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions during the Lock-Up Period would include, without limitation, any short sale or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any of the Stockholder Party’s Lock-Up Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Lock-Up Shares. The foregoing notwithstanding, each executive officer and director of PubCo shall be permitted to establish a plan to acquire and sell Lock-Up Shares pursuant to Rule 10b5-1 under the Exchange Act; provided, however, no sale of any Lock-Up Shares under any such plan shall be made prior to the expiration of the Lock-Up Period.
(b) For purposes of this Agreement, “Transfer” means to (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase, make any short sale or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, and the rules and regulations of the Commission promulgated thereunder, with respect to any Lock-Up Shares, or any options or warrants to purchase any Lock-Up Shares or any securities convertible into, exchangeable for or that represent the right to receive Lock-Up Shares, (ii) enter into any swap or hedging or other arrangement which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Lock-Up Shares, or that transfers to another, in whole or in part, any of the economic consequences of ownership of any Lock-Up Shares, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise or (iii) publicly announce any intention to effect any transaction, including the filing of a registration statement, described in clause (i) or (ii). Notwithstanding the foregoing, a Transfer shall not be deemed to include any transfer for no consideration, provided that the donee, trustee, heir or other transferee has duly executed and delivered to PubCo a joinder to this Agreement in the form of Exhibit B attached hereto (in which case such recipient shall be considered a Stockholder Party for all purposes of this Agreement).

(c) Each Stockholder Party also agrees and consents to the entry of stop transfer instructions with PubCo’s transfer agent and registrar against the transfer of any Lock-Up Shares except in compliance with the foregoing restrictions and to the addition of a legend to such Stockholder Party’s Lock-Up Shares describing the foregoing restrictions.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDER PARTIES

3.1 Stockholder Representations and Warranties. Each Stockholder Party represents and warrants to PubCo as follows:

(a) If Stockholder Party is not an individual, the Stockholder Party is a corporation, limited liability company or other applicable business entity duly organized or formed, as applicable, validly existing and in good standing (or the equivalent thereof, if applicable, in each case, with respect to the jurisdictions that recognize the concept of good standing or any equivalent thereof) under the Laws of its jurisdiction of formation or organization (as applicable).

(b) If Stockholder Party is not an individual, the Stockholder Party has the requisite corporate, limited liability company or other similar power and authority to execute and deliver this Agreement, to perform its covenants, agreements and obligations hereunder (including, for the avoidance of doubt, those covenants, agreements and obligations hereunder that relate to the provisions of the Merger Agreement), and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement has been duly authorized by all necessary
corporate (or other similar) action on the part of such Stockholder Party. This Agreement has been duly and validly executed and delivered by such Stockholder Party and constitutes a valid, legal and binding agreement of each Stockholder Party (assuming that this Agreement is duly authorized, executed and delivered by PubCo), enforceable against each such Stockholder Party in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting generally the enforcement of creditors’ rights and subject to general principles of equity).

**ARTICLE IV**

**GENERAL PROVISIONS**

4.1 **Termination.** This Agreement and the obligations of each Stockholder Party hereunder shall automatically terminate on the last day of the Lock-Up Period.

4.2 **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given) by delivery in person, by facsimile (having obtained electronic delivery confirmation thereof) if applicable, e-mail (having obtained electronic delivery confirmation thereof (i.e., an electronic record of the sender that the email was sent to the intended recipient thereof without an “error” or similar message that such email was not received by such intended recipient)), or by registered or certified mail (postage prepaid, return receipt requested) (upon receipt thereof) to the other parties as follows.

PubCo’s address is:

2173 Salk Ave., Suite 250, PMB#052
Carlsbad, CA 92008
Attn: Corporate Secretary
e-mail: elacy@pardesbio.com

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
601 Marshall Street
Redwood City, CA 94063
Attn: Deepa Rich
Email: DRich@goodwinlaw.com

Each Stockholder Party’s address is such address as such Stockholder Party shall furnish to PubCo in writing.

4.3 **Amendment; Waiver.**

(a) The terms and provisions of this Agreement may be modified or amended only with the written approval of PubCo (including the approval of the member of the board of directors of PubCo nominated by the Sponsor) and the Stockholder Parties holding a majority of the Lock-Up Shares then held by all of the Stockholder Parties.
(b) Except as expressly set forth in this Agreement, neither the failure nor delay on the part of any party hereto to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence.

(c) No party shall be deemed to have waived any claim arising out of this Agreement, or any right, remedy, power or privilege under this Agreement, unless the waiver of such claim, right, remedy, power or privilege is expressly set forth in a written instrument duly executed and delivered on behalf of such party; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

4.4 **Further Assurances.** The parties hereto will sign such further documents, cause such meetings to be held, resolutions passed, exercise their votes and do and perform and cause to be done such further acts and things necessary, proper or advisable in order to give full effect to this Agreement and every provision hereof.

4.5 **Assignment; Successors.** This Agreement may not be assigned without the express prior written consent of the other parties hereto, and any attempted assignment, without such consents, will be null and void. This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns.

4.6 **Stock Splits, Stock Dividends, etc.** In the event of any stock split, stock dividend, recapitalization, reorganization or the like, any securities issued with respect to the Lock-Up Shares held by the Stockholder Parties shall become Lock-Up Shares for purposes of this Agreement.

4.7 **Governing Law.** This Agreement and the legal relations between the parties arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware without reference to its conflicts of law provisions.

4.8 **Jurisdiction; Waiver of Jury Trial.** All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any Delaware Chancery Court. The parties hereto hereby (i) submit to the exclusive jurisdiction of the Delaware Chancery Court for the purpose of any Action arising out of or relating to this Agreement brought by any party hereto and (ii) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated hereunder may not be enforced in or by any of the above-named courts.
4.9 Specific Performance. Each party hereto acknowledges and agrees that (a) in the event of any breach of this Agreement by any such party, the other parties hereto would be irreparably harmed monetary damages would not adequately compensate an injured party for the breach of this Agreement by any party hereto, (b) this Agreement shall be specifically enforceable and (c) any breach or threatened of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto (i) waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach, (ii) agrees that the other parties, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to specific performance of this Agreement without the posting of a bond and (iii) agrees that a party’s rights would be materially and adversely affected if the obligations of the other parties under this Agreement were not carried out in accordance with the terms and conditions hereof.

4.10 Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof. There are no agreements, representations, warranties, covenants or understandings with respect to the subject matter hereof other than those expressly set forth herein. This Agreement supersedes all other prior agreements and understandings between the parties with respect to such subject matter.

4.11 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid, illegal or unenforceable to any extent, (i) the remainder of this Agreement shall not be in any way affected or impaired thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by Law, (ii) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by Law and (iii) the application of such provision to other Persons or circumstances or in other jurisdictions shall not be affected thereby.

4.12 Headings and Captions. The headings, subheadings and captions contained in this Agreement are included for convenience of reference only, and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

4.13 Counterparts; Electronic Execution or Delivery. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This Agreement may be executed electronically; any executed counterpart of this Agreement may be delivered by facsimile or electronic mail; and any such electronically executed or delivered copy of a counterpart signature page shall have the same force and effect as an originally executed copy hereof.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, the parties hereto have executed this Lock-Up Agreement on the day and year first above written.

PARDES BIOSCIENCES, INC. (F/K/A FS DEVELOPMENT CORP. II)

By:  /s/ Uri A. Lopatin
Name:  Uri A. Lopatin, M.D.
Title:  Chief Executive Officer and President

[Signature Page to Lockup Agreement]
STOCKHOLDER PARTIES:

FORESITE CAPITAL FUND V, L.P.
By: Foresite Capital Management V, LLC
   Its General Partner
By: /s/ Dennis D. Ryan
   Name: Dennis D. Ryan
   Title: Chief Financial Officer

FORESITE CAPITAL OPPORTUNITY FUND V, L.P.
By: Foresite Capital Opportunity Management V, LLC
   Its General Partner
By: /s/ Dennis D. Ryan
   Name: Dennis D. Ryan
   Title: Chief Financial Officer

GMF PARDES LLC
By: /s/ J. Jay Lobell
   Name: J. Jay Lobell
   Title: Managing Member

[Signature Page to Lockup Agreement]
KHOSLA VENTURES VII, LP

By: Khosla Ventures VII, LLC, a Delaware limited liability company and general partner of Khosla Ventures VII, LP

By: /s/ John Demeter
Name: John Demeter
Title: General Counsel

KHOSLA VENTURES SEED D, LP

By: Khosla Ventures Seed Associates D, LLC, a Delaware limited liability company and general partner of Khosla Ventures Seed D, LP

By: /s/ John Demeter
Name: John Demeter
Title: General Counsel

[Signature Page to Lockup Agreement]
LOPATIN DESCENDANTS’ TRUST

By: /s/ Uri A. Lopatin
    Name: Uri A. Lopatin
    Title: Trustee

By: /s/ Katherine Lopatin
    Name: Katherine Lopatin
    Title: Trustee

Uri A. Lopatin, M.D.
Signature: /s/ Uri Lopatin

Lee D. Arnold, Ph.D.
Signature: /s/ Lee D. Arnold

Brian P. Kearney, PharmD
Signature: /s/ Brian P. Kearney

Heidi Henson
Signature: /s/ Heidi Henson

Elizabeth H. Lacy
Signature: /s/ Elizabeth H. Lacy

[Signature Page to Lockup Agreement]
1. Khosla Ventures VII, LP
2. Khosla Ventures Seed D, LP
3. Foresite Capital Fund V, L.P.
4. Uri Lopatin
5. Lopatin Descendants’ Trust
6. GMF Pardes LLC
7. Lee Arnold
8. Foresite Capital Opportunity Fund V, L.P.
9. Brian P. Kearney
10. Heidi Henson
11. Elizabeth Lacy
EXHIBIT B

FORM OF JOINDER TO LOCK-UP AGREEMENT

[_______], 20_____

The undersigned (“New Stockholder Party”) is executing and delivering this Joinder (this “Joinder”) to the Lock-Up Agreement, dated as of [*], 2021, by and between Pardes Biosciences, Inc. (f/k/a FS Development Corp. II) (“PubCo”) and the Stockholder Parties from time to time party thereto (as amended from time to time, the “Lock-Up Agreement”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lock-Up Agreement.

The New Stockholder Party received Lock-Up Shares from a Stockholder Party pursuant to and in accordance with the Lock-Up Agreement. By executing and delivering this Joinder to PubCo, the undersigned New Stockholder Party hereby agrees to become a party to, to be bound by and to comply with the provisions of the Lock-Up Agreement as Stockholder Party and a holder of Lock-Up Shares in the same manner as if the undersigned were an original signatory to the Lock-Up Agreement.

This Joinder may be executed in multiple counterparts, including by means of facsimile or electronic signature, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

[Remainder of Page Intentionally Left Blank.]
IN WITNESS WHEREOF, the undersigned have duly executed this joinder as of the date first set forth above.

NEW STOCKHOLDER PARTY:

[Name of New Stockholder Party]

By: ________________________________
    Name: ___________________________
    Title: ___________________________  

PARDES BIOSCIENCES, INC.

By: ________________________________
    Name: ___________________________
    Title: ___________________________
ASSUMED INCENTIVE STOCK OPTION AGREEMENT
UNDER THE PARDES BIOSCIENCES, INC.
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee:

No. of Option Shares:

Option Exercise Price per Share:

Original Grant Date of Assumed Option:

Date Assumed:

Expiration Date:

Reference is made to that certain Agreement and Plan of Merger dated June 29, 2021, as amended as of November 7, 2021 (the “Merger Agreement”), by and among the Pardes Biosciences, Inc., f/k/a FS Development Corp. II, (the “Company”), Pardes Biosciences, Inc., Orchard Merger Sub, Inc. and Shareholder Representative Services LLC, as Stockholders’ Representative. This incentive stock option agreement evidences the incentive stock option award granted to Optionee (the “Assumed Option”) under the Pardes Biosciences, Inc. 2020 Stock Plan (the “2020 Plan”). Pursuant to Section 3.1(b) of the Merger Agreement, the Assumed Option was assumed by the Company as of the Effective Time (as defined in the Merger Agreement) and continues in full force and effect under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”). Subject to difference between the Plan and the 2020 Plan, which are not deemed material or adverse to Optionee, the Assumed Option documented by this incentive stock option agreement contains substantially the same terms, conditions, vesting and other material provisions as the Assumed Option prior to the Effective Time, except that the number of shares and per share exercise price have been adjusted as provided in Section 3.1(b)(ii) of the Merger Agreement. From the Effective Time, your Assumed Option shall solely be governed by this incentive stock option agreement and the Plan. As of the Effective Time, all Assumed Options shall no longer be outstanding under the 2020 Plan and the Optionee shall cease to have any rights with respect to such Assumed Option, except as provided in this incentive stock option agreement and the Plan.
Pursuant to the Plan and as of the Effective Date Optionee named above has an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. **Exercisability Schedule.** No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated below so long as the Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates:

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<thead>
<tr>
<th>Incremental Number of Option Shares Exercisable*</th>
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* Max. Option Share value of $100,000 per yr.

**[Non-Executive Stock Options]:** Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. In the event of a Sale Event, if the Company’s successor (which, for the purposes of this provision, is the acquirer of the Company’s assets in a Sale Event resulting from the sale of all or substantially all of the Company’s assets) does not agree to assume this Stock Option, or to substitute an equivalent award or right for this Stock Option, and Optionee remains in a Service Relationship through the consummation of such Sale Event, and does not voluntarily resign without continuing with the Company’s successor, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above, effective immediately prior to, and contingent upon, the consummation of such Sale Event. If Optionee is a director but not an employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Sale Event and Optionee is removed from, or is not reelected to, the Board (or the Board of a successor, as appropriate) in connection with or following the consummation of a Sale Event, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above.
Executive Stock Options: Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the Company (or a successor, if appropriate) or if Optionee resigns for Good Reason (as defined below) in connection with or within three months following the consummation of a Sale Event (or such other protected period provided for in the Optionee’s Executive Employment Agreement (as defined below)), then 100% of the then outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. In the event of a Sale Event, if the Company’s successor (which, for the purposes of this provision, is the acquirer of the Company’s assets in a Sale Event resulting from the sale of all or substantially all of the Company’s assets) does not agree to assume this Stock Option, or to substitute an equivalent award or right for this Stock Option, and Service Provider remains in a Service Relationship through the consummation of such Sale Event, and does not voluntarily resign without continuing with the Company’s successor, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above, effective immediately prior to, and contingent upon, the consummation of such Sale Event. If Optionee is a director but not an employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Sale Event and Optionee is removed from, or is not reelected to, the Board (or the Board of a successor, as appropriate) in connection with or following the consummation of a Sale Event, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above. As used herein, “Good Reason” will have the meaning assigned to such term in the Optionee’s executive offer letter dated as of [INSERT DATE] (the “Employment Agreement”). Notwithstanding the foregoing, the vesting of this Stock Option shall accelerate such that this Stock Option shall become vested as to Option Shares then unvested in connection with Optionee’s termination of Service Relationship by the Company (or a successor, if appropriate) without Cause or by the Optionee for Good Reason as provided in, and subject to the terms and conditions of, Optionee’s Employment Agreement.


(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, (ii) by check or (iii) by Cashless Exercise. For purposes hereof, “Cashless Exercise” means a program approved by the Administrator in which payment of the exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Option Shares, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Options Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount. Payment instruments will be received subject to collection.

1 Note to Draft: To include the date of the Optionee’s offer letter with the Company.
2 Note to Draft: To select and conform to the language in the original grant agreement.
The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination or extension as set forth below.

(a) Termination Due to Death. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, or if Optionee dies during the three-month period following termination of the Optionee’s Service Relationship for any other reason other than for Cause, any portion of this Stock Option outstanding on the date of termination, to the extent exercisable on the date of termination, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.
(b) **Termination Due to Disability.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.

(c) **Termination for Cause.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by Optionee of any material written agreement between Optionee and the Company and Optionee’s failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Optionee to comply with the Company’s material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Optionee’s duties and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (iv) Optionee’s repeated failure to follow reasonable and lawful instructions from the [Board] or Chief Executive Officer and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (v) Optionee’s conviction of, or plea of guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company; (vi) Optionee’s commission of or participation in an act of fraud against the Company; (vii) Optionee’s intentional material damage to the Company’s business, property or reputation; or (viii) Optionee’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Optionee owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Optionee’s death or disability. The foregoing definition does not in any way limit the Company’s ability to terminate a Optionee’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Affiliate or any successor thereto, if appropriate.

(d) **Other Termination.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

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3 For the CEO
4 For all other employees.
4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. **Status of the Stock Option.** This Stock Option is intended to remain qualified as an “incentive stock option” to the extent possible under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements and that *this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an “incentive stock option.”* To the extent any portion of this Stock Option does not so qualify as an “incentive stock option,” such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. **Tax Withholding.** The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. To the extent applicable, the Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.

8. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee’s Service Relationship with the Company or a Subsidiary at any time.
9. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter, including that certain Notice of Stock Option Grant and Stock Option Agreement executed by Optionee dated as of [INSERT DATE] issued under the Pardes Biosciences, Inc. 2020 Stock Plan.

10. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

12. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to Optionee’s current or future participation in the Plan by electronic means or to request Optionee’s consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

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5  Note to Draft: Insert date of execution of the original grant by optionee.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ________________________________

Optionee’s Signature

Optionee’s name and address:

8
Reference is made to that certain Agreement and Plan of Merger dated June 29, 2021, as amended as of November 7, 2021 (the “Merger Agreement”), by and among the Pardes Biosciences, Inc., f/k/a FS Development Corp. II, (the “Company”), Pardes Biosciences, Inc., Orchard Merger Sub, Inc. and Shareholder Representative Services LLC, as Stockholders’ Representative. This non-qualified stock option agreement evidences the non-qualified stock option award granted to Optionee (the “Assumed Option”) under the Pardes Biosciences, Inc. 2020 Stock Plan (the “2020 Plan”). Pursuant to Section 3.1(b) of the Merger Agreement, the Assumed Option was assumed by the Company as of the Effective Time (as defined in the Merger Agreement) and continues in full force and effect under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”). Subject to difference between the Plan and the 2020 Plan, which are not deemed material or adverse to Optionee, the Assumed Option documented by this non-qualified stock option agreement contains substantially the same terms, conditions, vesting and other material provisions as the Assumed Option prior to the Effective Time, except that the number of shares and per share exercise price have been adjusted as provided in Section 3.1(b)(ii) of the Merger Agreement. From the Effective Time, your Assumed Option shall solely be governed by this non-qualified stock option agreement and the Plan. As of the Effective Time, all Assumed Options shall no longer be outstanding under the 2020 Plan and the Optionee shall cease to have any rights with respect to such Assumed Option, except as provided in this non-qualified stock option agreement and the Plan.
Pursuant to the Plan and as of the Effective Time, Optionee named above has an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable as follows:

[______________________________], so long as Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates.

[Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. In the event of a Sale Event, if the Company’s successor (which, for the purposes of this provision, is the acquirer of the Company’s assets in a Sale Event resulting from the sale of all or substantially all of the Company’s assets) does not agree to assume this Stock Option, or to substitute an equivalent award or right for this Stock Option, and Optionee remains in a Service Relationship through the consummation of such Sale Event, and does not voluntarily resign without continuing with the Company’s successor, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above, effective immediately prior to, and contingent upon, the consummation of such Sale Event. If Optionee is a director but not an employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Sale Event and Optionee is removed from, or is not reelected to, the Board (or the Board of a successor, as appropriate) in connection with or following the consummation of a Sale Event, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above.]6

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.


(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

6 Note to Draft: To conform to the language in the original grant agreement.
Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, (ii) by check or (iii) by Cashless Exercise. For purposes hereof, “Cashless Exercise” means a program approved by the Administrator in which payment of the exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Option Shares, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Options Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount. Payment instruments will be received subject to collection. In addition, to the extent that (A) this Stock Option is vested and remains outstanding and has not been exercised by the Optionee as of the Expiration Date and (B) the Fair Market Value of the Stock exceeds the exercise price of the Stock Option on such date, then this Stock Option shall automatically be exercised on the Expiration Date (without any action required on the part of the Optionee) pursuant to the “net exercise” arrangement described in (iv), above.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. Except as may otherwise be provided by the Administrator, if the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination or extension as set forth below.
(a) **Termination Due to Death.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, or if Optionee dies during the three-month period following termination of the Optionee’s Service Relationship for any other reason other than for Cause, any portion of this Stock Option outstanding on the date of termination, to the extent exercisable on the date of termination, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(b) **Termination Due to Disability.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.

(c) **Termination for Cause.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in a consulting or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by Optionee of any material written agreement between Optionee and the Company and Optionee’s failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Optionee to comply with the Company’s material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Optionee’s duties and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (iv) Optionee’s repeated failure to follow reasonable and lawful instructions from the Chief Executive Officer and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (v) Optionee’s conviction of, or plea of guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company; (vi) Optionee’s commission of or participation in an act of fraud against the Company; (vii) Optionee’s intentional material damage to the Company’s business, property or reputation; or (viii) Optionee’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Optionee owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Optionee’s death or disability. The foregoing definition does not in any way limit the Company’s ability to terminate a Optionee’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Affiliate or any successor thereto, if appropriate.
(d) **Other Termination.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator’s determination of the reason for termination of the Optionee’s Service Relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee’s Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee’s Service Relationship with the Company or a Subsidiary at any time.

7. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter, including that certain Notice of Stock Option Grant and Stock Option Agreement executed by Optionee dated as of [INSERT DATE] issued under the Pardes Biosciences, Inc. 2020 Stock Plan.

8. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

7 Note to Draft: Insert date of execution of the original grant by optionee.
9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

10. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Optionee’s current or future participation in the Plan by electronic means or to request Optionee’s consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Pardes Biosciences, Inc.

By: ____________________________________________
   Title: __________________________________________

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: __________________________________________

Optionee’s Signature

Optionee’s name and address:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

6
Name of Optionee: ____________________________

No. of Option Shares: [Reflects original Option Shares as adjusted per 3.1(b) of Merger Agreement]

Option Exercise Price per Share: $ ________________
[FMV on Grant Date, as adjusted per 3.1(b) of Merger Agreement]

Grant Date of Assumed Option: __________________
[Vesting/Exercisability Date: ____________________]

Expiration Date: [No more than 10 years]

Reference is made to that certain Agreement and Plan of Merger dated June 29, 2021, as amended as of November 7, 2021 (the “Merger Agreement”), by and among the Pardes Biosciences, Inc., f/k/a FS Development Corp. II, (the “Company”), Pardes Biosciences, Inc., Orchard Merger Sub, Inc. and Shareholder Representative Services LLC, as Stockholders’ Representative. This non-qualified stock option agreement evidences the non-qualified stock option award granted to Optionee (the “Assumed Option”) under the Pardes Biosciences, Inc. 2020 Stock Plan (the “2020 Plan”). Pursuant to Section 3.1(b) of the Merger Agreement, the Assumed Option was assumed by the Company as of the Effective Time (as defined in the Merger Agreement) and continues in full force and effect under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”). Subject to difference between the Plan and the 2020 Plan, which are not deemed material or adverse to Optionee, the Assumed Option documented by this non-qualified stock option agreement contains substantially the same terms, conditions, vesting and other material provisions as the Assumed Option prior to the Effective Time, except that the number of shares and per share exercise price have been adjusted as provided in Section 3.1(b)(ii) of the Merger Agreement. From the Effective Time, your Assumed Option shall solely be governed by this non-qualified stock option agreement and the Plan. As of the Effective Time, all Assumed Options shall no longer be outstanding under the 2020 Plan and the Optionee shall cease to have any rights with respect to such Assumed Option, except as provided in this non-qualified stock option agreement and the Plan.
Pursuant to the Plan and as of the Effective Time, Optionee named above, who is a Non-Employee Director of the Company but is not an employee of the Company, has an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated below so long as the Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates:

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<th>Incremental Number of Option Shares Exercisable</th>
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Notwithstanding the foregoing, in the event of a Sale Event, 100% of the then-outstanding and unvested Option Shares shall immediately be deemed vested and exercisable on the date of such Sale Event; provided, that the Optionee remains in service as a member of the Board until the date of such Sale Event. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.


(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, (ii) by check or (iii) by Cashless Exercise. For purposes hereof, “Cashless Exercise” means a program approved by the Administrator in which payment of the exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Option Shares, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Options Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount.

2
The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. Except as may otherwise be provided by the Administrator, if the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, or if Optionee dies during the three-month period following termination of the Optionee’s Service Relationship for any other reason other than for Cause, any portion of this Stock Option outstanding on the date of termination, to the extent exercisable on the date of termination, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on that date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.
(c) **Termination for Cause.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in a consulting or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by Optionee of any material written agreement between Optionee and the Company and Optionee’s failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Optionee to comply with the Company’s material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Optionee’s duties and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (iv) Optionee’s repeated failure to follow reasonable and lawful instructions from the Board Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (v) Optionee’s conviction of, or plea of guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company; (vi) Optionee’s commission of or participation in an act of fraud against the Company; (vii) Optionee’s intentional material damage to the Company’s business, property or reputation; or (viii) Optionee’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Optionee owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Optionee’s death or disability. The foregoing definition does not in any way limit the Company’s ability to terminate a Optionee’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Affiliate or any successor thereto, if appropriate.

(d) **Other Termination.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.
6. **No Obligation to Continue as a Non-Employee Director.** Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Non-Employee Director or in any other Service Relationship.

7. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ____________________________

Optionee’s Signature

Optionee’s name and address:

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Name of Optionee: ______________________________________________________

No. of Option Shares: ____________________________________________________

Option Exercise Price per Share: $________________________

Original Grant Date of Assumed Option: ________________________________

Date Assumed: ________________________________

[Vesting/Exercisability Date ________________________________]

Expiration Date: ________________________________

Reference is made to that certain Agreement and Plan of Merger dated June 29, 2021, as amended as of November 7, 2021 (the “Merger Agreement”), by and among the Pardes Biosciences, Inc., f/k/a FS Development Corp. II, (the “Company”), Pardes Biosciences, Inc., Orchard Merger Sub, Inc. and Shareholder Representative Services LLC, as Stockholders’ Representative. This non-qualified stock option agreement evidences the non-qualified stock option award granted to Optionee (the “Assumed Option”) under the Pardes Biosciences, Inc. 2020 Stock Plan (the “2020 Plan”). Pursuant to Section 3.1(b) of the Merger Agreement, the Assumed Option was assumed by the Company as of the Effective Time (as defined in the Merger Agreement) and continues in full force and effect under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”). Subject to difference between the Plan and the 2020 Plan, which are not deemed material or adverse to Optionee, the Assumed Option documented by this non-qualified stock option agreement contains substantially the same terms, conditions, vesting and other material provisions as the Assumed Option prior to the Effective Time, except that the number of shares and per share exercise price have been adjusted as provided in Section 3.1(b)(ii) of the Merger Agreement. From the Effective Time, your Assumed Option shall solely be governed by this non-qualified stock option agreement and the Plan. As of the Effective Time, all Assumed Options shall no longer be outstanding under the 2020 Plan and the Optionee shall cease to have any rights with respect to such Assumed Option, except as provided in this non-qualified stock option agreement and the Plan.
Pursuant to the Plan and as of the Effective Date, Optionee named above has an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. **Exercisability Schedule.** No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated below so long as the Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates:

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<th>Incremental Number of Option Shares Exercisable</th>
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**[Non-Executive Stock Options]:** Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. In the event of a Sale Event, if the Company’s successor (which, for the purposes of this provision, is the acquirer of the Company’s assets in a Sale Event resulting from the sale of all or substantially all of the Company’s assets) does not agree to assume this Stock Option, or to substitute an equivalent award or right for this Stock Option, and Optionee remains in a Service Relationship through the consummation of such Sale Event, and does not voluntarily resign without continuing with the Company’s successor, then the vesting of this Stock Option shall accelerate such that this Stock Options shall be vested to the same extent as if Optionee had been terminated without Cause as described above, effective immediately prior to, and contingent upon, the consummation of such Sale Event. If Optionee is a director but not an employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Sale Event and Optionee is removed from, or is not reelected to, the Board (or the Board of a successor, as appropriate) in connection with or following the consummation of a Sale Event, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above.
Executive Stock Options: Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the Company (or a successor, if appropriate) or if Optionee resigns for Good Reason (as defined below) in connection with or within three months following the consummation of a Sale Event (or such other protected period provided for in the Optionee’s Executive Employment Agreement (as defined below)), then 100% of the then outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. In the event of a Sale Event, if the Company’s successor (which, for the purposes of this provision, is the acquirer of the Company’s assets in a Sale Event resulting from the sale of all or substantially all of the Company’s assets) does not agree to assume this Stock Option, or to substitute an equivalent award or right for this Stock Option, and Service Provider remains in a Service Relationship through the consummation of such Sale Event, and does not voluntarily resign without continuing with the Company’s successor, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above, effective immediately prior to, and contingent upon, the consummation of such Sale Event. If Optionee is a director but not an employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Sale Event and Optionee is removed from, or is not reelected to, the Board (or the Board of a successor, as appropriate) in connection with or following the consummation of a Sale Event, then the vesting of this Stock Option shall accelerate such that this Stock Option shall be vested to the same extent as if Optionee had been terminated without Cause as described above. As used herein, “Good Reason” will have the meaning assigned to such term in the Optionee’s executive offer letter dated as of [INSERT DATE] (the “Employment Agreement”). Notwithstanding the foregoing, the vesting of this Stock Option shall accelerate such that this Stock Option shall become vested as to Option Shares then unvested in connection with Optionee’s termination of Service Relationship by the Company (or a successor, if appropriate) without Cause or by the Optionee for Good Reason as provided in, and subject to the terms and conditions of, Optionee’s Employment Agreement.


(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

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8 Note to Draft: To include the date of the Optionee’s offer letter with the Company.
9 Note to Draft: To select and conform to the language in the original grant agreement.
Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, (ii) by check (iii) by Cashless Exercise. For purposes hereof, “Cashless Exercise” means a program approved by the Administrator in which payment of the exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Option Shares, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Options Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations (including the satisfaction of any taxes that the Company or an Affiliate is obligated to withhold with respect to the optionee). In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination or extension as set forth below.

(a) Termination Due to Death. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, or if Optionee dies during the three-month period following termination of the Optionee’s Service Relationship for any other reason other than for Cause, any portion of this Stock Option outstanding on the date of termination, to the extent exercisable on the date of termination, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

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(b) Termination Due to Disability. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by Optionee of any material written agreement between Optionee and the Company and Optionee’s failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Optionee to comply with the Company’s material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Optionee’s duties and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (iv) Optionee’s repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive Officer and Optionee’s failure to cure such condition within 30 days after receiving written notice thereof; (v) Optionee’s conviction of, or plea of guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company; (vi) Optionee’s commission of or participation in an act of fraud against the Company; (vii) Optionee’s intentional material damage to the Company’s business, property or reputation; or (viii) Optionee’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Optionee owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Optionee’s death or disability. The foregoing definition does not in any way limit the Company’s ability to terminate a Optionee’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Affiliate or any successor thereto, if appropriate.

(d) Other Termination. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator’s determination of the reason for termination of the Optionee’s Service Relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.
4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. **Tax Withholding.** The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.

7. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee’s Service Relationship with the Company or a Subsidiary at any time.

8. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter, including that certain Notice of Stock Option Grant and Stock Option Agreement executed by Optionee dated as of [INSERT DATE] issued under the Pardes Biosciences, Inc. 2020 Stock Plan.

9. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Note to Draft: Insert date of execution of the original grant by optionee.
10. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

11. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to Optionee’s current or future participation in the Plan by electronic means or to request Optionee’s consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

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**Pardes Biosciences, Inc.**

By:  
Title: 

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ________________

Optionee’s Signature  

Optionee’s name and address:  

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Reference is made to that certain Agreement and Plan of Merger dated June 29, 2021, as amended as of November 7, 2021 (the “Merger Agreement”), by and among the Pardes Biosciences, Inc., f/k/a FS Development Corp. II, (the “Company”), Orchard Merger Sub, Inc. and Shareholder Representative Services LLC, as Stockholders’ Representative. This restricted stock award agreement evidences the restricted stock award granted to Optionee (the “Assumed RSA”) under the Pardes Biosciences, Inc. 2020 Stock Plan (the “2020 Plan”). Pursuant to Section 3.1(c) of the Merger Agreement, the Assumed RSA was assumed by the Company as of the Effective Time (as defined in the Merger Agreement) and continues in full force and effect under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”). Subject to difference between the Plan and the 2020 Plan, which are not deemed material or adverse to Grantee, the Assumed RSA documented by this restricted stock award agreement contains substantially the same terms, conditions, vesting and other material provisions as the Assumed RSA prior to the Effective Time, except that the number of shares have been adjusted as provided in Section 3.1(c) of the Merger Agreement. From the Effective Time, your Assumed RSA shall solely be governed by this restricted stock award agreement and the Plan. As of the Effective Time, all Assumed RSAs shall no longer be outstanding under the 2020 Plan and the Grantee shall cease to have any rights with respect to such Assumed RSA, except as provided in this restricted stock award agreement and the Plan.

Pursuant to the Plan and as of the Effective time, Grantee has a Restricted Stock Award (an “Award”) with the number of shares of Common Stock, par value $0.0001 per share (the “Stock”) of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.
1. **Award.** The shares of Restricted Stock awarded hereunder shall be issued and held by the Company’s transfer agent in book entry form, and the Grantee’s name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. **Restrictions and Conditions.**

   (a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

   (b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

   (c) If the Grantee’s Service Relationship with the Company or a Subsidiary is voluntarily or involuntarily terminated for any reason (including due to death or disability) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. **Vesting of Restricted Stock.** The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to have a Service Relationship with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

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<tr>
<th>Incremental Number of Shares Vested (%)</th>
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Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Grantee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested shares of Restricted Stock shall immediately be deemed vested effective immediately prior to such termination of Grantee’s Service Relationship. For purposes hereof, “Cause” shall mean, unless otherwise provided in a consulting or other service agreement between the Company and the Grantee, a determination by the Administrator that the Grantee shall be dismissed as a result of (i) any material breach by Grantee of any material written agreement between Grantee and the Company and Grantee’s failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Grantee to comply with the Company’s material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Grantee’s duties and Grantee’s failure to cure such condition within 30 days after receiving written notice thereof; (iv) Grantee’s repeated failure to follow reasonable and lawful instructions from the or Chief Executive Officer and Grantee’s failure to cure such condition within 30 days after receiving written notice thereof; (v) Grantee’s conviction of, or plea of guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in, material harm to the business or reputation of the Company; (vi) Grantee’s commission of or participation in an act of fraud against the Company; (vii) Grantee’s intentional material damage to the Company’s business, property or reputation; or (viii) Grantee’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Grantee owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Grantee’s death or disability. The foregoing definition does not in any way limit the Company’s ability to terminate a Grantee’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Affiliate or any successor thereto, if appropriate. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. **Dividends.** Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. **Transferability.** This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. **Tax Withholding.** The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, the Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued or released to the Grantee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Grantee on account of such transfer.
8. **Election Under Section 83(b).** The Grantee and the Company hereby agree that the Grantee may, within 30 days following the original Grant Date of the Assumed RSA, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code, which period has now passed. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee’s Service Relationship with the Company or a Subsidiary at any time.

10. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter, including the Notice of Restricted Stock Award under the Pardes Biosciences, Inc. 2020 Stock Plan effective March 24, 2020 and the related Restricted Stock Agreement.

11. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
13. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to Grantee’s current or future participation in the Plan, this Agreement, the shares of Restricted Stock any other Company securities or any other Company-related documents, by electronic means. By accepting this Agreement, whether electronically or otherwise, Grantee hereby (i) consents to receive such documents by electronic means, (ii) consents to the use of electronic signatures, and (iii) if applicable, agrees to participate in the Plan and/or receive any such documents through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. To the extent Participant has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Agreement in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

**Pardes Biosciences, Inc.**

By: ____________________________

Title: ____________________________

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: __________________________

Grantee’s Signature

Grantee’s name and address:

________________________________________

________________________________________

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5
STOCK POWER

FOR VALUE RECEIVED and pursuant to Section 2(c) of that certain Assumed Restricted Stock Award Agreement under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan between the undersigned (“Grantee”) and Pardes Biosciences, Inc, a Delaware corporation (the “Company”), with an original grant date of _____, 2020 and an assumed date of December 23, 2021 (the “Agreement”), the Grantee hereby sells, assigns and transfers unto the Company shares of the Common Stock of the Company standing in Grantee’s name on the Company’s books, whether held in uncertificated form or certificated form as Certificate No., and does hereby irrevocably constitute and appoint _____ to transfer said stock on the books of the Company with full power of substitution in the premises. THIS STOCK POWER MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND THE PLAN.

Date: ____________

GRANTEE:

Dated: __________________________

Grantee’s Signature

Grantee’s name and address:

______________________________

______________________________

Spouse of Holder (If Applicable):

Signature
Name: __________________________
INCENTIVE STOCK OPTION AGREEMENT
UNDER THE PARDES BIOSCIENCES, INC.
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: ____________________________

No. of Option Shares: _________________________

Option Exercise Price per Share: $_______

[FMV on Grant Date (110% of FMV if a 10% owner)]

Grant Date: ________________________________

[Vesting/Exercisability Date: ________________]

Expiration Date: [up to 10 years (5 if a 10% owner)]

Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated below so long as the Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates:

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<tr>
<th>Incremental Number of Option Shares Exercisable*</th>
<th>[Exercisability Date]</th>
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* Max. Option Share value of $100,000 per yr.
Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.


(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; or (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the Shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.
(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee’s duties to the Company.

(d) Other Termination. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.
The Administrator’s determination of the reason for termination of the Optionee’s Service Relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. Status of the Stock Option. This Stock Option is intended to qualify as an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements and that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an “incentive stock option.” To the extent any portion of this Stock Option does not so qualify as an “incentive stock option,” such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. To the extent applicable, the Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.
8. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee’s Service Relationship with the Company or a Subsidiary at any time.

9. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ________________________________

Optionee’s Signature

Optionee’s name and address:

______________________________
Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. **Exercisability Schedule.** No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable as follows:

   [__________________________], so long as Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates.

   Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. **Manner of Exercise.**

   (a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.
Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection. In addition, to the extent that (A) this Stock Option is vested and remains outstanding and has not been exercised by the Optionee as of the Expiration Date and (B) the Fair Market Value of the Stock exceeds the exercise price of the Stock Option on such date, then this Stock Option shall automatically be exercised on the Expiration Date (without any action required on the part of the Optionee) pursuant to the “net exercise” arrangement described in (iv), above.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.
3. **Termination of Service Relationship.** Except as may otherwise be provided by the Administrator, if the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) **Termination Due to Death.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) **Termination Due to Disability.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.

(c) **Termination for Cause.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in a consulting or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee’s duties to the Company.

(d) **Other Termination.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.
The Administrator’s determination of the reason for termination of the Optionee’s Service Relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee’s Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee’s Service Relationship with the Company or a Subsidiary at any time.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ____________________________

Optionee’s Signature

Optionee’s name and address:

__________________________________

__________________________________

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Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants to the Optionee named above, who is a Non-Employee Director of the Company but is not an employee of the Company, an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. **Exercisability Schedule.** No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated below so long as the Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates:

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<tr>
<th>Incremental Number of Option Shares Exercisable</th>
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**Non-Qualified Stock Option Agreement for Non-Employee Directors**

**Under the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan**

Name of Optionee: ____________________________________________

No. of Option Shares: _________________________________________

Option Exercise Price per Share: $ ______________________
[FMV on Grant Date]

Grant Date: __________________________________________________

[Vesting/Exercisability Date: ________________________]

Expiration Date: _____________________________________________
[No more than 10 years]
Notwithstanding the foregoing, in the event of a Sale Event, 100% of the then-outstanding and unvested Option Shares shall immediately be
deeomed vested and exercisable on the date of such Sale Event; provided, that the Optionee remains in service as a member of the Board until the date of
such Sale Event. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration
Date, subject to the provisions hereof and of the Plan.


   (a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this
Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable
at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

   Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check
or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been
purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any
Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a
properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and
acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so
provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the
Administrator shall prescribe as a condition of such payment procedure; (iv) by a “net exercise” arrangement pursuant to which the Company will
reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the
aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection. In addition, to
the extent that (A) this Stock Option is vested and remains outstanding and has not been exercised by the Optionee as of the Expiration Date and (B) the
Fair Market Value of the Stock exceeds the exercise price of the Stock Option on such date, then this Stock Option shall automatically be exercised on
the Expiration Date (without any action required on the part of the Optionee) pursuant to the “net exercise” arrangement described in (iv), above.
The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Service Relationship. If the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Other Termination. If the Optionee Service Relationship with the Company or a Subsidiary ceases for any reason other than the Optionee’s death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Optionee ceased to have a Service Relationship, for a period of six months from such date or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to have a Service Relationship shall terminate immediately and be of no further force or effect.

3
4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. **No Obligation to Continue as a Non-Employee Director.** Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Non-Employee Director or in any other Service Relationship.

7. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ____________________________

Optionee’s Signature

Optionee’s name and address:

__________________________________

__________________________________
Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended.

1. **Exercisability Schedule.** No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated below so long as the Optionee continues to have a Service Relationship with the Company or a Subsidiary on such dates:

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</table>
Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Optionee’s Service Relationship without Cause by the
Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then
outstanding and unvested Option Shares shall immediately be deemed vested and exercisable effective immediately prior to such termination of
Optionee’s Service Relationship. Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business
on the Expiration Date, subject to the provisions hereof and of the Plan.


(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this
Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable
at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check
or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been
purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any
Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a
properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and
acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so
provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the
Administrator shall prescribe as a condition of such payment procedure; (iv) by a “net exercise” arrangement pursuant to which the Company will
reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the
aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection. In addition, to
the extent that (A) this Stock Option is vested and remains outstanding and has not been exercised by the Optionee as of the Expiration Date and (B) the
Fair Market Value of the Stock exceeds the exercise price of the Stock Option on such date, then this Stock Option shall automatically be exercised on
the Expiration Date (without any action required on the part of the Optionee) pursuant to the “net exercise” arrangement described in (iv), above.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the
Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements
contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other
evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the
Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations (including the satisfaction of any taxes
that the Company or an Affiliate is obligated to withhold with respect to the optionee). In the event the Optionee chooses to pay the purchase price by
previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the
Stock Option shall be net of the Shares attested to.
(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee’s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee’s Service Relationship with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee’s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates by reason of the Optionee’s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date the Optionee’s Service Relationship is terminated by reason of the Optionee’s disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of the termination of the Optionee’s Service Relationship by reason of the Optionee’s disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, “Cause” shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee’s duties to the Company.
(d) **Other Termination.** If the Optionee’s Service Relationship with the Company or a Subsidiary terminates for any reason other than the Optionee’s death, the Optionee’s disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator’s determination of the reason for termination of the Optionee’s Service Relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. **Transferability.** This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee’s lifetime, only by the Optionee, and thereafter, only by the Optionee’s legal representative or legatee.

6. **Tax Withholding.** The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Optionee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Optionee on account of such transfer.

7. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee’s Service Relationship with the Company or a Subsidiary at any time.
8. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: ____________________________

Optionee’s Signature

Optionee’s name and address:

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6
Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants a Restricted Stock Award (an “Award”) to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value $0.0001 per share (the “Stock”) of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company’s transfer agent in book entry form, and the Grantee’s name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

   (a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

   (b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

   (c) If the Grantee’s Service Relationship with the Company or a Subsidiary is voluntarily or involuntarily terminated for any reason (including due to death or disability) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.
3. **Vesting of Restricted Stock.** The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to have a Service Relationship with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

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Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Grantee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested shares of Restricted Stock shall immediately be deemed vested effective immediately prior to such termination of Grantee’s Service Relationship. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. **Dividends.** Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. **Transferability.** This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. **Tax Withholding.** The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, the Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued or released to the Grantee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Grantee on account of such transfer.
8. **Election Under Section 83(b)**. The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. **No Obligation to Continue Service Relationship**. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee’s Service Relationship with the Company or a Subsidiary at any time.

10. **Integration**. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

11. **Data Privacy Consent**. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. **Notices**. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: ________________________________

Grantee’s Signature

Grantee’s name and address:
Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Class A Common Stock, par value $0.0001 per share (the “Stock”) of the Company.

1. **Restrictions on Transfer of Award.** This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. **Vesting of Restricted Stock Units.** The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to have a Service Relationship with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

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<th>[Vesting Date]</th>
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The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.
3. **Termination of Service Relationship.** If the Grantee’s Service Relationship with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. **Issuance of Shares of Stock.** As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

7. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Service Relationship of the Grantee at any time.

8. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.
10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

Pardes Biosciences, Inc.

By: ____________________________________________

Title: __________________________________________

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: ______________________________

Grantee’s Signature

Grantee’s name and address:

__________________________________________

__________________________________________

__________________________________________

3
Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.0001 per share (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to have a Service Relationship with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

Notwithstanding the foregoing, in the event of a Sale Event, 100% of the then-outstanding and unvested Restricted Stock Units shall immediately be deemed vested on the date of such Sale Event; provided, that the Grantee remains in service as a member of the Board until the date of such Sale Event. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.
3. **Termination of Service Relationship.** If the Grantee’s Service Relationship with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. **Issuance of Shares of Stock.** As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

7. **No Obligation to Continue as a Non-Employee Director.** Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Non-Employee Director or in another Service Relationship.

8. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.
10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

Pardes Biosciences, Inc.

By: 

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: ______________________________

Grantee’s Signature

Grantee’s name and address:
Name of Grantee: ____________________________________

No. of Restricted Stock Units: _______________________

[Vesting Date: _______________________

Grant Date: _______________________

Pursuant to the Pardes Biosciences, Inc. 2021 Stock Option and Incentive Plan as amended through the date hereof (the “Plan”), Pardes Biosciences, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.0001 per share (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to have a Service Relationship with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

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<th>Incremental Number of Restricted Stock Units Vested</th>
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Notwithstanding the foregoing, in the event of a Sale Event, upon a termination of Grantee’s Service Relationship without Cause by the Company (or a successor, if appropriate) in connection with or within three months following the consummation of a Sale Event, then 100% of the then outstanding and unvested Restricted Stock Units shall immediately be deemed vested effective immediately prior to such termination of Grantee’s Service Relationship. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.
3. **Termination of Service Relationship.** If the Grantee’s Service Relationship with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. **Issuance of Shares of Stock.** As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. **Incorporation of Plan.** Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. **Tax Withholding.** The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from shares of Stock to be issued to the Grantee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of shares of Stock to be issued to the Grantee, the number of shares of Stock necessary to satisfy the Federal, state and local taxes required by law to be withheld from the Grantee on account of such transfer.

7. **Section 409A of the Code.** This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

8. **No Obligation to Continue Service Relationship.** Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee’s Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee’s Service Relationship with the Company or a Subsidiary at any time.

9. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.
10. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. **Notices.** Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

Pardes Biosciences, Inc.

By: ______________________________

Title: _____________________________

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: ______________________________

Grantee’s Signature

Grantee’s name and address:

3
PARDES BIOSCIENCES, INC.
DIRECTOR INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of [________________] by and between Pardes Biosciences, Inc., a Delaware corporation (the "Company"), and [Director] ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Bylaws (as amended and in effect from time to time, the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL") [and the Amended and Restated Certificate of Incorporation (as amended and in effect from time to time, the "Charter")] ;

WHEREAS, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, as applicable, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

[WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by [Affiliated Entity] ("[Affiliated Entity]") which Indemnitee and [Affiliated Entity] intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided in this Agreement, with the Company's acknowledgment and agreement to the foregoing being a material condition to Indemnitee's willingness to serve or continue to serve on the Board.]
Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.
As used in this Agreement:

(a) "Change in Control" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys’ fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.
(e) "Expenses" shall include all reasonable attorneys’ fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term “Proceeding” shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee’s rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.
Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the “Delaware Court”) shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise; provided that the foregoing shall not affect the rights of Indemnitee or the Secondary Indemnitors as set forth in Section 13(c);
(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes Oxley Act of 2002, as amended (“SOX”):

(c) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(c) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors’ and officers’ liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(d) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made as incurred, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee’s (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses of covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee’s right to advancement pursuant to Section 12(e) of this Agreement.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company’s election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee’s expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee’s entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a
committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel’s written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee’s entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys’ fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee’s entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of Expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the
American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors’ and officers’ liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.
Section 13. Non-exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by [Affiliated Entity] and certain of its affiliates (collectively, the “Secondary Indemnitors”). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Secondary Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Charter and/or Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Secondary Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Secondary Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Secondary Indemnitors are express third party beneficiaries of the terms of this Section 13(c).]
(d) [Except as provided in paragraph (c) above,] in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee [(other than against the Secondary Indemnitors)], who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) [Except as provided in paragraph (c) above,] the Company’s obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

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Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Pardes Biosciences, Inc.
2173 Salk Ave.
Suite 250, PMB #052
Carlsbad, CA 92008

Attention: Chief Executive Officer
Section 20. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. **Internal Revenue Code Section 409A.** The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the “Code”), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.
Section 24. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.
IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

PARDES BIOSCIENCES, INC.

By: 
Name: 
Title: 

[Name of Indemnitee]
PARDES BIOSCIENCES, INC.

OFFICER INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of [_________________] by and between Pardes Biosciences, Inc., a Delaware corporation (the "Company"), and [Officer] ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Bylaws (as amended and in effect from time to time, the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL") and the Amended and Restated Certificate of Incorporation (as amended and in effect from time to time, the "Charter");

WHEREAS, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company’s stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, as applicable, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

1 To be entered into with all C-level officers and Section 16 officers.
NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to [continue to] serve as [a director and] an officer of the Company. Indemnitee may at any time and for any reason resign from [any] such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) “Change in Control” shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) “Corporate Status” describes the status of a person as a current or former [director or] officer of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) “Enforcement Expenses” shall include all reasonable attorneys’ fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) “Enterprise” shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(e) “Expenses” shall include all reasonable attorneys’ fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.
“Independent Counsel” means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was [a director or] an officer of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as [a director or] an officer of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term “Proceeding” shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee’s rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.
Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002, as amended ("SOX");
(c) to indemnify for any reimbursement of, or payment to, the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company pursuant to Section 304 of SOX or any formal policy of the Company adopted by the Board (or a committee thereof), or any other remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors’ and officers’ liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made as incurred, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee’s (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses of covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee’s right to advancement pursuant to Section 12(e) of this Agreement.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company’s election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee’s expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.2

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee’s entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred and indemnification is

2  Bracketed portions for CEO Director version only
being requested by Indemnitee hereunder in his or her capacity as a director of the Company, by Independent Counsel in a written opinion to the Board; or (y) in any other case, (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel’s written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee’s entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys’ fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee’s entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board; provided that, if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, the Independent Counsel shall be selected by Indemnitee. Indemnitee (or the Company, as the case may be,) may, within ten (10) days after written notice of such selection, deliver to the Company (or Indemnitee, as the case may be,) a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).
Section 11. Presumptions and Effect of Certain Proceedings

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of Expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to
be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors’ and officers’ liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.
Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company’s obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as [both a director and] an officer of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding.
commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. **Severability.** If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. **Enforcement.**

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as [a director and] an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as [a director and] an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. **Modification and Waiver.** No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.
Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Pardes Biosciences, Inc.
2173 Salk Ave.
Suite 250, PMB #052
Carlsbad, CA 92008
Attention: Chief Executive Officer

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the “Code”), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.
Section 22. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

PARDES BIOSCIENCES, INC.

By: ____________________________
Name: __________________________
Title: __________________________

[Name of Indemnitee]
December 23, 2020

Uri A. Lopatin, M.D.

[***]

[***]

Dear Uri:

Pardes Biosciences, Inc, a Delaware corporation (the "Company"), is pleased to amend and restate the terms of your employment with the Company pursuant to the terms of this Amended and Restated Executive Offer Letter (the "Agreement"). This Agreement amends and restates the terms of that certain offer letter dated April 27, 2020 by and between you and the Company.

Duties and Extent of Service

As Chief Executive Officer of the Company, you will report directly to the Board of Directors of the Company (the "Board") and you will have responsibility for performing those duties as are customary for, and are consistent with, your position with the Company, as well as those duties as the Board may designate. Your first date of employment was February 29, 2020. Your primary working location shall initially be your home; provided that if the Company were to establish an office no more than a 50 mile radius from the address set forth above, the Company shall be entitled to designate such location as your primary working location. Subject to the terms of this Agreement, the Company reserves the right to reasonably require you to perform your duties at places other than your primary working location from time to time and to require business travel.

You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted by the Company. Except for vacations and absences due to temporary illness, you will be expected to devote your full-time business efforts to the business and affairs of the Company. Notwithstanding the foregoing, you may participate in outside charitable, civic, educational, professional, community or industry activities to the extent such activities do not individually or in the aggregate materially interfere with the performance of your duties to the Company as provided in this Agreement or create an actual or potential conflict of interest with the Company’s business; provided, further, that your service on any outside boards (whether for profit or non-profit) shall require the prior consent of the Board. Any of your outside activities listed on Schedule 1 attached hereto shall also be deemed approved for purposes of this Agreement and shall not be a violation of your obligations in this paragraph.

Employment at Will

You and the Company understand and agree that you are an employee at-will, and that you may resign, or the Company may terminate your employment, at any time and for any or for no reason in accordance with the termination provisions set forth further below in this Agreement. Nothing in this Agreement shall be construed to alter the at-will nature of your employment, nor shall anything in this Agreement be construed as providing you with a definite term of employment.
Compensation

Until the termination of your employment, in consideration for your services hereunder, we will compensate you as follows:

• **Base Salary.** Your initial annual base salary as of commencement of employment was initially $200,000 per year, payable in accordance with the Company’s standard payroll schedule (the "Base Salary"). Upon completion of a financing with aggregate gross proceeds to the Company in excess of $4,000,000 but less than or equal to $8,000,000, your Base Salary was automatically increased to the annualized rate of $300,000 effective upon the closing of such financing. Upon completion of an Equity Financing (as defined below), your Base Salary shall automatically increase to an annualized rate of $450,000 effective upon the closing of such Equity Financing. The Base Salary may be reviewed and modified from time to time at the sole discretion of the Board or any committee designated by the Board to govern compensation matters (the “Compensation Committee”) and is in addition to the other benefits set forth herein.

• **Base Salary Deferral.** You and the Company executed that certain salary deferral agreement dated as of July 7, 2020, a copy of which is attached hereto as Exhibit A (the “Salary Deferral Agreement”). Per the Salary Deferral Agreement, you acknowledge that the Time-Based Deferral End Date referenced in the Salary Deferral Agreement was extended by the Company to December 30, 2020. By execution below, you and the Company agree that the Time-Based Deferral End Date shall be extended to March 15, 2021.

• **Annual Bonus.** You will be eligible to receive an annual bonus with a target payout equal to fifty percent (50%) of your Base Salary paid for the relevant fiscal year in accordance with the terms of any Company bonus plan adopted by the Board or the Compensation Committee. The determination of whether you will receive a bonus with respect to any given fiscal year of the Company, and the amount of any such bonus, shall be determined by the Board or its Compensation Committee, in its sole discretion, after considering your performance and the Company’s performance for such fiscal year. If you are awarded a bonus with respect to a given fiscal year of the Company, the Company will make payment of such bonus no later than March 15 of the next fiscal year of the Company. Except as provided under the heading “Severance” below, a precondition to the annual bonus being considered earned is that you continuously remain an employee of the Company on the date on which any such annual bonus is paid.

• **Vacation; PTO.** You will be entitled to paid vacation in accordance with the Company’s then-current vacation policy.

• **Benefits.** You will also be entitled to participate in such benefits (including group medical, vision and dental insurance), if any, as the Company shall make available to executive-level employees and in such employee benefit plans and fringe benefits as may be offered or made available by the Company to its employees. The Company shall not unreasonably delay your ability to participate in such benefit plans and/or fringe benefit programs once such benefit plans and/or fringe benefits are available to employees. The Board reserves the right to change or terminate the Company’s employee benefit plans and fringe benefits. Your participation in such employee benefit plans and fringe benefits, and the amount and nature of the benefits to which you shall be entitled thereunder or in connection therewith, shall be subject to the terms and conditions of such employee benefit plans and fringe benefits.

• **Expenses.** Upon delivery of reasonable documentation, you will be entitled to reimbursement by the Company during the term of your employment for reasonable travel, business development, and other business expenses incurred by you in the performance of your duties hereunder in accordance with the then-current policies and practices of the Company.
• **Initial Equity Award and Future Equity Awards.** In connection with your commencement of employment, the Company granted you a restricted stock award of 4,000,000 shares of the Company’s common stock (the “Shares”) pursuant to a restricted stock purchase agreement dated as of February 29, 2020 (the “Restricted Stock Purchase Agreement”) between Executive and the Company which sets forth the terms of the award. Following your execution of this Agreement and subject to the approval of you and the Company’s Board of Directors, the Restricted Stock Purchase Agreement shall be amended, as deemed necessary by the Company, to reflect the terms of this Agreement. In addition to the foregoing, you shall be eligible to receive grants of Company equity awards in the sole discretion of and subject to the approval of the Board or its Compensation Committee.

**Severance**

• **Termination Without Cause or Resignation for Good Reason following an Equity Financing.** Following the completion of an Equity Financing (which term is defined below in this Agreement), in the event that the Company terminates your employment other than due to:

  (i) Cause (which term is defined below in this Agreement), or
  (ii) your death or disability, or
  (iii) you terminate your employment with the Company for Good Reason (which term is defined below in this Agreement), then, subject to the condition precedent of your execution and delivery of the Company’s standard form general release to be delivered to you at the time of your termination, which release becomes irrevocable within sixty (60) days following your termination, you will be entitled to the following severance benefits (the “Non-CIC Severance Benefits”):

  (i) your Base Salary for a period of twelve (12) months following your termination of employment (such applicable period, the “Severance Period”), which amount shall be paid in equal installments on the Company’s regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your termination of employment; provided, however, that no payments will be made prior to the sixtieth (60th) day following your termination of employment. On the sixtieth (60th) day following your termination of employment, the Company will pay you in a lump sum the Base Salary that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Section 409A (as defined below) and the effectiveness of the release, with the balance of the Base Salary being paid as originally scheduled. For such purposes, your final Base Salary will be calculated at the rate in effect as of the effective date of termination of your employment and prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason;

  (ii) if you are eligible for and timely elect to continue your health insurance coverage under the Company’s group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985 or the state equivalent (“COBRA”) following your termination date, the Company will pay the COBRA group health insurance premiums for you and your eligible dependents until the earliest of:
   (A) the close of the Severance Period,
   (B) the expiration of your eligibility for the continuation coverage under COBRA, or
   (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by you under a Section 125 health care reimbursement plan under the Internal Revenue Code of 1986, as amended (the “Code”).
Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether you elect continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the Severance Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Health Care Benefit Payment"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the Severance Period or (ii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment;

(iii) the vesting of all outstanding equity awards held by you shall be accelerated so that the amount of shares vested under such equity award shall equal that number of shares which would have been vested if you had continued to render services to the Company through the Severance Period; and

(iv) outplacement assistance, in duration and amounts that are determined by the Company to be reasonable in its sole discretion.

*Termination Without Cause or Resignation for Good Reason During a Change in Control Period.* In the event that the Company terminates your employment other than due to: (i) Cause, or (ii) your death or disability, or you terminate your employment with the Company for Good Reason, in each case at any time during the Change in Control Period (which term is defined below in this Agreement) then, subject to the condition precedent of your execution and delivery of the Company’s standard form general release to be delivered to you at the time of your termination, which release becomes irrevocable within sixty (60) days following your termination, you will be entitled to the following severance benefits (the “CIC Severance Benefits”) in lieu of any Non-CIC Severance Benefits (and for the avoidance of doubt: (x) in no event will you be entitled to both the Non-CIC Severance Benefits and the CIC Severance Benefits, and (y) if the Company has commenced providing the Non-CIC Severance Benefits to you prior to the date that you become eligible to receive the CIC Severance Benefits, the Non-CIC Severance Benefits previously provided to you (or your beneficiaries or estate, as applicable) shall reduce the CIC Severance Benefits provided below):

(i) your Base Salary for a period of twelve (12) months following your termination of employment (such period, the “CIC Severance Period”), which amount shall be paid in equal installments on the Company’s regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your termination of employment; provided, however, that no payments will be made prior to the sixtieth (60th) day following your termination of employment. On the sixtieth (60th) day following your termination of employment, the Company will pay you in a lump sum the Base Salary that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Section 409A (as defined below) and the effectiveness of the release, with the balance of the Base Salary being paid as originally scheduled. For such purposes, your final Base Salary will be calculated at the rate in effect as of the effective date of termination of your employment with the Company and prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason;
a lump sum payment in an amount equal to your target annual bonus for the Company’s then-current fiscal year, which payment shall be paid on the Company’s first standard payroll date following the later of (A) the date that is sixty (60) days following your date of termination, but in no event more than seventy-five (75) days thereafter, or (B) the date of the Change in Control;

(iii) if you are eligible for and timely elect to continue your health insurance coverage under the Company’s group health plans under COBRA following your termination date, the Company will pay the COBRA group health insurance premiums for you and your eligible dependents until the earliest of (A) the close of the CIC Severance Period, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by you under a Section 125 health care reimbursement plan under the Code. Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether you elect continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the CIC Severance Period, a fully taxable cash payment equal to the Health Care Benefit Payment. The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the CIC Severance Period or (ii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment;

(iv) If such termination is due to the Company terminating your employment for any reason (other than Cause or due to your death or disability) or your termination of your employment with the Company for Good Reason, then the vesting of all outstanding equity awards held by you shall be accelerated on the later of (A) the date of your termination or (B) the date of such Change in Control, so that all such equity awards shall be deemed to be fully vested. In addition, subject to the terms of the Company’s equity plan, any such equity awards that are stock options may be exercised by you (or your legal guardian or legal representative) until the latest of (x) three (3) months after the date of your termination of employment (y) with respect to any portion of such equity awards that become exercisable on the date of a Change in Control pursuant to this clause (iv), three (3) months after the date of the Change in Control, or (z) such longer period as may be specified in the applicable equity award agreement; provided, however, that in no event shall any equity award that is a stock option remain exercisable beyond the original outside expiration date of such equity award; and

(v) outplacement assistance, in duration and amounts that are determined by the Company to be reasonable in its sole discretion.
Certain Definitions.

For purposes of this Agreement, the following definitions shall be applicable:

“Cause” shall mean any one or more of the following: (i) your intentional commission of an act, or intentional failure to act, that materially injures the business of the Company; provided, however, that in no event shall any business judgment made in good faith by you and within your defined scope of authority constitute a basis for termination for Cause under this Agreement; (ii) your intentional refusal or intentional failure to act in accordance with any lawful and proper direction or order of the Board; (iii) your material breach of your fiduciary, statutory, contractual, or common law duties to the Company (including any material breach of this Agreement, the Proprietary Rights Agreement (as defined below), or the Company’s written policies); (iv) your indictment for or conviction of any felony or any crime involving dishonesty; or (v) your participation in any fraud or other act of willful misconduct against the Company; provided, however, that in the event that any of the foregoing events is reasonably capable of being cured, the Company shall provide written notice to you describing the nature of such event and you shall thereafter have twenty (20) days to cure such event.

“Change in Control” shall mean (1) a sale of all or substantially all of the Company’s assets other than to an Excluded Entity, (2) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (3) the consummation of a transaction, or series of related transactions, in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company’s then outstanding voting securities. Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company’s incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company’s Board. An “Excluded Entity” means a corporation, limited liability company or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation’s, limited liability company’s or other entity’s voting securities outstanding immediately after such transaction. As used in this Agreement, the consummation of (i) a transaction or series of related transactions in which any “person” or “group” (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company’s board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company; provided, however, that following the Company’s IPO, “Change in Control” shall have the meaning described in the Company’s stock plan adopted by the Company in connection with the Company’s IPO.

“Change in Control Period” means the three (3) months prior to or within one (1) year after such Change in Control.
"Equity Financing" means the consummation of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells in excess of $10,000,000 of preferred stock at a fixed valuation, including but not limited to, a pre-money or post-money valuation.

"Good Reason" means any one or more of the following: (i) a material diminution in the nature or scope of your duties; (ii) a material reduction in your Base Salary (other than as part of a reduction in the base salaries of all or substantially all other senior executives of the Company that is in the same proportion as the reduction in your Base Salary); and (iii) the permanent, non-voluntary relocation of your principal place of employment with the Company to a location that increases your one-way commuting distance by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation. In order for you to resign for Good Reason, each of the following requirements must be met: (A) you must provide written notice to the Board within sixty (60) calendar days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation; (B) you must allow the Company at least twenty (20) days from receipt of such written notice from you sufficiently describing such alleged Good Reason to cure such event; (C) such event must not be cured by the Company within such twenty (20) day period; and (D) you must resign for Good Reason not later than sixty (60) days after the expiration of the foregoing cure period.

"IPO" means the Company's initial public offering of shares of its common stock pursuant to an effective Registration Statement on Form S-1.

Withholding Taxes

All payments and benefits described in this Agreement or that you may otherwise be entitled or eligible to receive as a result of your employment with the Company will be subject to applicable federal, state and local tax withholdings.

409A Compliance

It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code (the “Section 409A”), provided under Treasury Regulations 1.409A 1(b)(4), 1.409A 1(b) (5) and 1.409A 1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. In furtherance of the foregoing, the severance payments payable under the heading “Severance” shall be paid no later than the last date permitted in order to satisfy the exemption from Section 409A under Treasury Regulations 1.409A 1(b)(4). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A 2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements 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. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute “nonqualified deferred compensation” subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a “separation from service” with the Company (as such term is defined in Treasury Regulation Section 1.409A-1(h) and any successor provision thereto) (a “Separation from Service”). Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your
Separation from Service under Section 409A to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be “deferred compensation”, then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of your Separation from Service with the Company, or (ii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any severance benefits provided under this Agreement constitute “nonqualified deferred compensation” under Section 409A, for purposes of determining the schedule for payment of the severance benefits, any such severance benefits shall not be paid, or in the case of installments shall not commence payment, until the sixtieth (60th) day following the Separation from Service or other applicable payment event. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for you to execute (and not revoke) the applicable release spans two calendar years, payment of the applicable severance benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to you under this Agreement shall be paid to you 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 you) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in 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. Notwithstanding the foregoing if a Change in Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes “nonqualified deferred compensation,” the transaction or event constituting the Change in Control must also constitute a “change in control event” (as defined in Treasury Regulation §1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

Nondisclosure and Developments

As a condition of your employment you shall sign the Company’s standard employee Confidential Information and Invention Assignment Agreement (the “Proprietary Rights Agreement”), which you executed on February 29, 2020.

No Conflicting Obligation

You hereby represent and warrant that as of April 27, 2020 and as of the execution and delivery of this Agreement, the performance by you of any or all of the terms of this Agreement and the performance by you of your duties as an employee of the Company do not and will not breach or contravene (i) any agreement or contract (including, without limitation, any employment or consulting agreement, any agreement not to compete or any confidentiality or nondisclosure agreement) to which you are or may become a party on or at any time after your commencement of employment or (ii) any obligation you may otherwise have under applicable law to any former employer or to any person to whom you have provided, provide or will provide consulting services. You hereby further represent and warrant to the Company that, prior to the date your employment commenced, you provided to the Company a copy of any and all potentially conflicting agreements for the Company’s review.
Defend Trade Secrets Act Notice of Immunity Rights

You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the proprietary information to your attorney and use the proprietary information in the court proceeding, if you file any document containing the proprietary information under seal, and do not disclose the proprietary information, except pursuant to court order.

Termination

You acknowledge that the employment relationship between the Company and you is at-will, meaning that the employment relationship may be terminated by the Company or you for any reason or for no reason. Either party may terminate your employment with the Company at any time and for any or no reason upon thirty (30) days prior written notice; provided that the Company may terminate you for Cause and you may resign for Good Reason at any time upon written notice.

Regardless of the reason your employment with the Company terminates, you will continue to comply with the Proprietary Rights Agreement contemplated hereby.

Work Eligibility

You agree that prior to the commencement of employment, you will provide the Company with sufficient documentation to demonstrate your eligibility to work in the United States and, at the request of the Company, shall provide any additional documentation requested by the Company to demonstrate your eligibility to work in the United States.

Governing Law

This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of California.

Dispute Resolution

To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment from the Company, 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 conducted in San Francisco, California by JAMS, Inc. (“JAMS”) or its successors, under JAMS’ then applicable rules and procedures for employment disputes (which can be found at http://www.jamsadr.com/rules-clauses/, and which will be provided to you on request); provided that 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; and (b) issue a written arbitration decision.
including the arbitrator’s essential findings and conclusions and a statement of the award. You and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. BOTH YOU AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, YOU AND THE COMPANY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law, and shall pay the arbitrator’s fee. Nothing in this Agreement is intended to prevent either the Company or you from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. This section is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to your employment; provided, however, that you shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (i) claims for workers’ compensation, state disability insurance or unemployment insurance; (ii) claims for unpaid wages or waiting time penalties brought before the California Division of Labor Standards Enforcement (or any similar agency in any applicable jurisdiction other than California); provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (iii) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that you shall not be entitled to obtain any monetary relief through such agencies other than workers’ compensation benefits or unemployment insurance benefits.

Entire Agreement; Amendment

This Agreement (together with the Proprietary Rights Agreement and the Salary Deferral Agreement contemplated hereby) sets forth the sole and entire agreement and understanding between the Company and you with respect to the specific matters contemplated and addressed hereby and thereby. No prior agreement, whether written or oral, shall be construed to change or affect the operation of this Agreement in accordance with its terms, and any provision of any such prior agreement, which conflicts with or contradicts any provision of this Agreement, is hereby revoked and superseded. Any prior agreement, if any, you may have with the Company regarding your employment, whether written or oral, is hereby, and without any further action on your part or the Company’s, terminated, revoked and superseded by this Agreement. This Agreement may be amended or terminated only by a written instrument executed both by you and the Company.

Notices

Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

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 to the extent possible in keeping with the intent of the Parties.
Waiver

Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

Counterparts

This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

Headings

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

Indemnification and Director's and Officer's Insurance

The Company will indemnify you to the fullest extent permitted by the laws of the State of Delaware, as in effect at the time of the subject act or omission, and you shall be entitled to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and officers.

Successors and Assigns

This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and your respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

[Signature Page Follows]
Please acknowledge your acceptance of the terms of this Agreement by signing below and returning a copy to me.

Sincerely,

PARDES BIOSCIENCES, INC.

By: /s/ Uri Lopatin, M.D.
   Name: Uri Lopatin, M.D.
   Title: President and CEO

Accepted and Agreed:

I hereby acknowledge that I have had a full and adequate opportunity to read, understand and discuss the terms and conditions contained in this Agreement prior to signing hereunder.

/s/ Uri A. Lopatin, M.D.
Uri A. Lopatin, M.D.
Date: 12/23/2020
Dear Lee:

Pardes Biosciences, Inc., a Delaware corporation (the "Company"), is pleased to amend and restate the terms of your employment with the Company pursuant to the terms of this Amended and Restated Executive Offer Letter (the "Agreement"). This Agreement amends and restates the terms of that certain offer letter dated April 6, 2020 by and between you and the Company.

**Duties and Extent of Service**

As Chief Scientific Officer of the Company, you will report directly to the President and Chief Executive Officer of the Company (the "Supervising Officer") and you will have responsibility for performing those duties as are customary for, and are consistent with, your position with the Company, as well as those duties as the Supervising Officer or the Board of Directors of the Company (the "Board") may designate. Your first date of employment was April 6, 2020. Your primary working location shall initially be your home; provided that if the Company were to establish an office no more than a 50 mile radius from the address set forth above, the Company shall be entitled to designate such location as your primary working location. Subject to the terms of this Agreement, the Company reserves the right to reasonably require you to perform your duties at places other than your primary working location from time to time and to require business travel.

You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted by the Company. Except for vacations and absences due to temporary illness, you will be expected to devote your full-time business efforts to the business and affairs of the Company. Notwithstanding the foregoing, you may participate in outside charitable, civic, educational, professional, community or industry activities to the extent such activities do not individually or in the aggregate materially interfere with the performance of your duties to the Company as provided in this Agreement or create an actual or potential conflict of interest with the Company’s business; provided, further, that your service on any outside boards (whether for profit or non-profit) shall require the prior consent of the Supervising Officer. Any of your outside activities listed on Schedule 1 attached hereto shall also be deemed approved for purposes of this Agreement and shall not be a violation of your obligations in this paragraph.

**Employment at Will**

You and the Company understand and agree that you are an employee at-will, and that you may resign, or the Company may terminate your employment, at any time and for any or for no reason in accordance with the termination provisions set forth further below in this Agreement. Nothing in this Agreement shall be construed to alter the at-will nature of your employment, nor shall anything in this Agreement be construed as providing you with a definite term of employment.
Compensation

Until the termination of your employment, in consideration for your services hereunder, we will compensate you as follows:

• **Base Salary.** Your initial annual base salary shall be at the annualized rate of $320,000, payable in accordance with the Company’s standard payroll schedule (the “Base Salary”). Upon completion of an Equity Financing (as defined below), your Base Salary shall automatically increase to an annualized rate of $366,000 effective upon the closing of such Equity Financing. The Base Salary may be reviewed and modified from time to time at the sole discretion of the Board or any committee designated by the Board to govern compensation matters (the “Compensation Committee”) and is in addition to the other benefits set forth herein.

• **Annual Bonus.** You will be eligible to receive an annual bonus with a target payout equal to forty percent (40%) of your Base Salary paid for the relevant fiscal year in accordance with the terms of any Company bonus plan adopted by the Board or the Compensation Committee. The determination of whether you will receive a bonus with respect to any given fiscal year of the Company, and the amount of any such bonus, shall be determined by the Board or its Compensation Committee, in its sole discretion, after considering your performance and the Company’s performance for such fiscal year. If you are awarded a bonus with respect to a given fiscal year of the Company, the Company will make payment of such bonus no later than March 15 of the next fiscal year of the Company. Except as provided under the heading “Severance” below, a precondition to the annual bonus being considered earned is that you continuously remain an employee of the Company on the date on which any such annual bonus is paid.

• **Vacation; PTO.** You will be entitled to paid vacation in accordance with the Company’s then-current vacation policy.

• **Benefits.** You will also be entitled to participate in such benefits (including group medical, vision and dental insurance), if any, as the Company shall make available to executive-level employees and in such employee benefit plans and fringe benefits as may be offered or made available by the Company to its employees. The Company shall not unreasonably delay your ability to participate in such benefit plans and/or fringe benefit programs once such benefit plans and/or fringe benefits are available to employees. The Board reserves the right to change or terminate the Company’s employee benefit plans and fringe benefits. Your participation in such employee benefit plans and fringe benefits, and the amount and nature of the benefits to which you shall be entitled thereunder or in connection therewith, shall be subject to the terms and conditions of such employee benefit plans and fringe benefits.

• **Expenses.** Upon delivery of reasonable documentation, you will be entitled to reimbursement by the Company during the term of your employment for reasonable travel, business development, and other business expenses incurred by you in the performance of your duties hereunder in accordance with the then-current policies and practices of the Company.

• **Initial Equity Award and Future Equity Awards.** In connection with your commencement of employment in April 2020, the Company granted you a restricted stock award of 2,000,000 shares of the Company’s common stock (the “Shares”) pursuant to a restricted stock purchase agreement (the “Restricted Stock Purchase Agreement”) between you and the Company which sets forth the terms of the award.
Following your execution of this Agreement and subject to the approval of you and the Company's Board of Directors, the Restricted Stock Purchase Agreement shall be amended, as deemed necessary by the Company, to reflect the terms of this Agreement. In addition to the foregoing, you shall be eligible to receive grants of Company equity awards in the sole discretion of and subject to the approval of the Board or its Compensation Committee.

**Severance**

- **Termination Without Cause or Resignation for Good Reason following an Equity Financing.** Following the completion of an Equity Financing (which term is defined below in this Agreement), in the event that the Company terminates your employment other than due to:
  (i) Cause (which term is defined below in this Agreement), or
  (ii) your death or disability, or in the event that you terminate your employment with the Company for Good Reason (which term is defined below in this Agreement), then, subject to the condition precedent of your execution and delivery of the Company's standard form general release to be delivered to you at the time of your termination, which release becomes irrevocable within sixty (60) days following your termination, you will be entitled to the following severance benefits (the "Non-CIC Severance Benefits"):

(i) your Base Salary for a period of nine (9) months following your termination of employment (such applicable period, the “Severance Period”), which amount shall be paid in equal installments on the Company’s regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your termination of employment; provided, however, that no payments will be made prior to the sixtieth (60th) day following your termination of employment. On the sixtieth (60th) day following your termination of employment, the Company will pay you in a lump sum the Base Salary that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Section 409A (as defined below) and the effectiveness of the release, with the balance of the Base Salary being paid as originally scheduled. For such purposes, your final Base Salary will be calculated at the rate in effect as of the effective date of termination of your employment and prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason;

(ii) if you are eligible for and timely elect to continue your health insurance coverage under the Company’s group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985 or the state equivalent (“COBRA”) following your termination date, the Company will pay the COBRA group health insurance premiums for you and your eligible dependents until the earliest of (A) the close of the Severance Period, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by you under a Section 125 health care reimbursement plan under the Internal Revenue Code of 1986, as amended (the “Code”). Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether you elect continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the Severance Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax.
withholdings (such amount, the “Health Care Benefit Payment”). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the Severance Period or (ii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment;

(iii) the vesting of all outstanding equity awards held by you shall be accelerated so that the amount of shares vested under such equity award shall equal that number of shares which would have been vested if you had continued to render services to the Company through the Severance Period; and

(iv) outplacement assistance, in duration and amounts that are determined by the Company to be reasonable in its sole discretion.

Termination Without Cause or Resignation for Good Reason During a Change in Control Period. In the event that the Company terminates your employment other than due to: (i) Cause, or (ii) your death or disability, or you terminate your employment with the Company for Good Reason, in each case at any time during the Change in Control Period (which term is defined below in this Agreement) then, subject to the condition precedent of your execution and delivery of the Company’s standard form general release to be delivered to you at the time of your termination, which release becomes irrevocable within sixty (60) days following your termination, you will be entitled to the following severance benefits (the “CIC Severance Benefits”) in lieu of any Non-CIC Severance Benefits (and for the avoidance of doubt:

(x) in no event will you be entitled to both the Non-CIC Severance Benefits and the CIC Severance Benefits, and (y) if the Company has commenced providing the Non-CIC Severance Benefits to you prior to the date that you become eligible to receive the CIC Severance Benefits, the Non-CIC Severance Benefits previously provided to you (or your beneficiaries or estate, as applicable) shall reduce the CIC Severance Benefits provided below):

(i) your Base Salary for a period of nine (9) months following your termination of employment (such period, the “CIC Severance Period”), which amount shall be paid in equal installments on the Company’s regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your termination of employment; provided, however, that no payments will be made prior to the sixtieth (60th) day following your termination of employment. On the sixtieth (60th) day following your termination of employment, the Company will pay you in a lump sum the Base Salary that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Section 409A (as defined below) and the effectiveness of the release, with the balance of the Base Salary being paid as originally scheduled. For such purposes, your final Base Salary will be calculated at the rate in effect as of the effective date of termination of your employment with the Company and prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason;

(ii) a lump sum payment in an amount equal to your target annual bonus for the Company’s then-current fiscal year, which payment shall be paid on the Company’s first standard payroll date following the later of (A) the date that is sixty (60) days following your date of termination, but in no event more than seventy-five (75) days thereafter, or (B) the date of the Change in Control;
(iii) if you are eligible for and timely elect to continue your health insurance coverage under the Company’s group health plans under COBRA following your termination date, the Company will pay the COBRA group health insurance premiums for you and your eligible dependents until the earliest of (A) the close of the CIC Severance Period, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by you under a Section 125 health care reimbursement plan under the Code. Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether you elect continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the CIC Severance Period, a fully taxable cash payment equal to the Health Care Benefit Payment. The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the CIC Severance Period or (ii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment;

(iv) If such termination is due to the Company terminating your employment for any reason (other than Cause or due to your death or disability) or your termination of your employment with the Company for Good Reason, then the vesting of all outstanding equity awards held by you shall be accelerated on the later of (A) the date of your termination or (B) the date of such Change in Control, so that all such equity awards shall be deemed to be fully vested. In addition, subject to the terms of the Company’s equity plan, any such equity awards that are stock options may be exercised by you (or your legal guardian or legal representative) until the latest of (x) three (3) months after the date of your termination of employment (y) with respect to any portion of such equity awards that become exercisable on the date of a Change in Control pursuant to this clause (iv), three (3) months after the date of the Change in Control, or (z) such longer period as may be specified in the applicable equity award agreement; provided, however, that in no event shall any equity award that is a stock option remain exercisable beyond the original outside expiration date of such equity award; and

(v) outplacement assistance, in duration and amounts that are determined by the Company to be reasonable in its sole discretion.

Certain Definitions.

For purposes of this Agreement, the following definitions shall be applicable:

"Cause" shall mean any one or more of the following: (i) your intentional commission of an act, or intentional failure to act, that materially injures the business of the Company; provided, however, that in no event shall any business judgment made in good faith by you and within your defined scope of authority constitute a basis for termination for Cause under this Agreement; (ii) your intentional refusal or intentional failure to act in accordance with any lawful and proper direction or order of the Board or the Supervising Officer; (iii) your material breach of your fiduciary, statutory, contractual, or common law duties to the
Company (including any material breach of this Agreement, the Proprietary Rights Agreement (as defined below), or the Company’s written policies); (iv) your indictment for or conviction of any felony or any crime involving dishonesty; or (v) your participation in any fraud or other act of willful misconduct against the Company; provided, however, that in the event that any of the foregoing events is reasonably capable of being cured, the Company shall provide written notice to you describing the nature of such event and you shall thereafter have twenty (20) days to cure such event.

“Change in Control” shall mean (1) a sale of all or substantially all of the Company’s assets other than to an Excluded Entity, (2) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (3) the consummation of a transaction, or series of related transactions, in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company’s then outstanding voting securities. Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company’s incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company’s Board of Directors. An “Excluded Entity” means a corporation, limited liability company or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation’s, limited liability company’s or other entity’s voting securities outstanding immediately after such transaction. As used in this Agreement, the consummation of (i) a transaction or series of related transactions in which any “person” or “group” (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company’s board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company; provided, however, that following the Company’s IPO, “Change in Control” shall have the meaning described in the Company’s stock plan adopted by the Company in connection with the Company’s IPO.

“Change in Control Period” means the three (3) months prior to or within one (1) year after such Change in Control.

“Equity Financing” means the consummation of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells in excess of $10,000,000 of preferred stock at a fixed valuation, including but not limited to, a pre-money or post-money valuation.

“Good Reason” means any one or more of the following: (i) a material diminution in the nature or scope of your duties; (ii) a material reduction in your Base Salary (other than as part of a reduction in the base salaries of all or substantially all other senior executives of the Company that is in the same proportion as the reduction in your Base Salary); and (iii) the permanent, non-voluntary relocation of your principal place of employment with the Company to a location that increases your one-way commuting distance by more than fifty (50) miles as compared to your then-current principal place of employment immediately.
prior to such relocation. In order for you to resign for Good Reason, each of the following requirements must be met: (A) you must provide written notice to the Board or the Supervising Officer within sixty (60) calendar days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation; (B) you must allow the Company at least twenty (20) days from receipt of such written notice from you sufficiently describing such alleged Good Reason to cure such event; (C) such event must not be cured by the Company within such twenty (20) day period; and (D) you must resign for Good Reason not later than sixty (60) days after the expiration of the foregoing cure period.

“IP0” means the Company’s initial public offering of shares of its common stock pursuant to an effective Registration Statement on Form S-1.

**Withholding Taxes**

All payments and benefits described in this Agreement or that you may otherwise be entitled or eligible to receive as a result of your employment with the Company will be subject to applicable federal, state and local tax withholdings.

**409A Compliance**

It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code (the “Section 409A”), provided under Treasury Regulations 1.409A 1(b)(4), 1.409A 1(b)(5) and 1.409A 1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. In furtherance of the foregoing, the severance payments payable under the heading “Severance” shall be paid no later than the last date permitted in order to satisfy the exemption from Section 409A under Treasury Regulations 1.409A 1(b)(4). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A 2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements 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. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute “nonqualified deferred compensation” subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), your right to receive any installment payments under this Agreement, whether severance payments, reimbursements or otherwise, shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall be considered to be a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute “nonqualified deferred compensation” subject to Section 409A of the Code, the severance payments payable under the heading “Severance” shall be paid no later than the last date permitted in order to satisfy the exemption from Section 409A under Treasury Regulations 1.409A 1(b)(4). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A 2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements 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. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute “nonqualified deferred compensation” subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a “separation from service” with the Company (as such term is defined in Treasury Regulation Section 1.409A-1(b) and any successor provision thereto) (a “Separation from Service”). Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service under Section 409A to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be “deferred compensation”, then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of your Separation from Service with the Company, or (ii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so
deferred. If the Company determines that any severance benefits provided under this Agreement constitute “nonqualified deferred compensation” under Section 409A, for purposes of determining the schedule for payment of the severance benefits, any such severance benefits shall not be paid, or in the case of installments shall not commence payment, until the sixtieth (60th) day following the Separation from Service or other applicable payment event. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for you to execute (and not revoke) the applicable release spans two calendar years, payment of the applicable severance benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to you under this Agreement shall be paid to you 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 you) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in 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. Notwithstanding the foregoing if a Change in Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes “nonqualified deferred compensation,” the transaction or event constituting the Change in Control must also constitute a “change in control event” (as defined in Treasury Regulation §1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

Nondisclosure and Developments

As a condition of your employment, you shall sign the Company’s standard employee Confidential Information and Invention Assignment Agreement (the “Proprietary Rights Agreement”), which you executed on April 6, 2020 and it remains in full force and effect.

No Conflicting Obligation

You hereby represent and warrant that as of April 6, 2020 and as of the execution and delivery of this Agreement, the performance by you of any or all of the terms of this Agreement and the performance by you of your duties as an employee of the Company do not and will not breach or contravene (i) any agreement or contract (including, without limitation, any employment or consulting agreement, any agreement not to compete or any confidentiality or nondisclosure agreement) to which you are or may become a party on or at any time after your commencement of employment or (ii) any obligation you may otherwise have under applicable law to any former employer or to any person to whom you have provided, provide or will provide consulting services. You hereby further represent and warrant to the Company that, prior to the date your employment commenced, you provided to the Company a copy of any and all potentially conflicting agreements for the Company’s review.

Defend Trade Secrets Act Notice of Immunity Rights

You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the proprietary information to your attorney and use the proprietary information in the court proceeding, if you file any document containing the proprietary information under seal, and do not disclose the proprietary information, except pursuant to court order.
Termination

You acknowledge that the employment relationship between the Company and you is at-will, meaning that the employment relationship may be terminated by the Company or you for any reason or for no reason. Either party may terminate your employment with the Company at any time and for any or no reason upon thirty (30) days prior written notice; provided that the Company may terminate you for Cause and you may resign for Good Reason (subject to the process specified within the definition) at any time upon written notice.

Regardless of the reason your employment with the Company terminates, you will continue to comply with the Proprietary Rights Agreement contemplated hereby.

Work Eligibility

You agree that prior to the commencement of employment, you will provide the Company with sufficient documentation to demonstrate your eligibility to work in the United States and, at the request of the Company, shall provide any additional documentation requested by the Company to demonstrate your eligibility to work in the United States.

Governing Law

This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of California.

Dispute Resolution

To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment from the Company, 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 conducted in San Francisco, California by JAMS, Inc. (“JAMS”) or its successors, under JAMS’ then applicable rules and procedures for employment disputes (which can be found at http://www.jamsadr.com/rules-clauses/, and which will be provided to you on request); provided that 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; and (b) issue a written arbitration decision including the arbitrator’s essential findings and conclusions and a statement of the award. You and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. BOTH YOU AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, YOU AND THE COMPANY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE PROCEEDING. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law, and shall pay the arbitrator’s fee. Nothing in this Agreement is intended to prevent either the Company or you from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. This section is intended to be the exclusive
method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to your employment; provided, however, that you shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (i) claims for workers’ compensation, state disability insurance or unemployment insurance; (ii) claims for unpaid wages or waiting time penalties brought before the California Division of Labor Standards Enforcement (or any similar agency in any applicable jurisdiction other than California); provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (iii) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that you shall not be entitled to obtain any monetary relief through such agencies other than workers’ compensation benefits or unemployment insurance benefits.

**Entire Agreement; Amendment**

This Agreement (together with the Proprietary Rights Agreement contemplated hereby) sets forth the sole and entire agreement and understanding between the Company and you with respect to the specific matters contemplated and addressed hereby and thereby. No prior agreement, whether written or oral, shall be construed to change or affect the operation of this Agreement in accordance with its terms, and any provision of any such prior agreement, which conflicts with or contradicts any provision of this Agreement, is hereby revoked and superseded. Any prior agreement, if any, you may have with the Company regarding your employment, whether written or oral, is hereby, and without any further action on your part or the Company’s, terminated, revoked and superseded by this Agreement. This Agreement may be amended or terminated only by a written instrument executed both by you and the Company.

**Notices**

Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

**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 to the extent possible in keeping with the intent of the Parties.
Waiver

Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

Counterparts

This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

Headings

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

Indemnification and Director’s and Officer’s Insurance

The Company will indemnify you to the fullest extent permitted by the laws of the State of Delaware, as in effect at the time of the subject act or omission, and you shall be entitled to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and officers.

Successors and Assigns

This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and your respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

[Signature Page Follows]
Please acknowledge your acceptance of the terms of this Agreement by signing below and returning a copy to me.

Sincerely,

PARDES BIOSCIENCES, INC.

By: /s/ Uri A. Lopatin, M.D.
Name: Uri A. Lopatin, M.D.
Title: President and CEO

Accepted and Agreed:
I hereby acknowledge that I have had a full and adequate opportunity to read, understand and discuss the terms and conditions contained in this Agreement prior to signing hereunder.

/s/ Lee D. Arnold, Ph.D.
Lee D. Arnold, Ph.D.

Date: 12/28/2020
September 21, 2020

Brian P. Kearney, PharmD

Dear Brian:

Pardes Biosciences, Inc, a Delaware corporation (the “Company”), is pleased to offer you employment pursuant to the terms of this Executive Offer Letter (the “Agreement”).

Duties and Extent of Service

As Chief Development Officer of the Company, you will report directly to the President and Chief Executive Officer of the Company (the “Supervising Officer”) and you will have responsibility for performing those duties as are customary for, and are consistent with, your position with the Company, as well as those duties as the Supervising Officer or the Board of Directors of the Company (the “Board”) may designate. Your first date of employment shall be November 2, 2020. Your primary working location shall initially be your home; provided that if the Company were to establish an office no more than a 50 mile radius from the address set forth above, the Company shall be entitled to designate such location as your primary working location. Subject to the terms of this Agreement, the Company reserves the right to reasonably require you to perform your duties at places other than your primary working location from time to time and to require business travel.

You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted by the Company. Except for vacations and absences due to temporary illness, you will be expected to devote your full-time business efforts to the business and affairs of the Company. Notwithstanding the foregoing, you may participate in outside charitable, civic, educational, professional, community or industry activities to the extent such activities do not individually or in the aggregate materially interfere with the performance of your duties to the Company as provided in this Agreement or create an actual or potential conflict of interest with the Company’s business; provided, further, that your service on any outside boards (whether for profit or non-profit) shall require the prior consent of the Supervising Officer. Any of your outside activities listed on Schedule 1 attached hereto shall also be deemed approved for purposes of this Agreement and shall not be a violation of your obligations in this paragraph.

Employment at Will

You and the Company understand and agree that you are an employee at-will, and that you may resign, or the Company may terminate your employment, at any time and for any or for no reason in accordance with the termination provisions set forth further below in this Agreement. Nothing in this Agreement shall be construed to alter the at-will nature of your employment, nor shall anything in this Agreement be construed as providing you with a definite term of employment.
Compensation

Until the termination of your employment, in consideration for your services hereunder, we will compensate you as follows:

- **Base Salary.** Your initial annual base salary shall be $390,000 per year, payable in accordance with the Company’s standard payroll schedule (the “Base Salary”). The Base Salary may be reviewed and modified from time to time at the sole discretion of the Board or its Compensation Committee and is in addition to the other benefits set forth herein.

- **Base Salary Deferral.** Simultaneous with the execution of this Agreement you agree to execute a salary deferral agreement, the form of which is attached hereto as Exhibit A (the “Salary Deferral Agreement”).

- **Annual Bonus.** You will be eligible to receive an annual bonus with a target payout equal to forty percent (40%) of your Base Salary paid for the relevant fiscal year in accordance with the terms of any Company bonus plan adopted by the Board or any committee designated by the Board to govern compensation matters (the “Compensation Committee”). The determination of whether you will receive a bonus with respect to any given fiscal year of the Company, and the amount of any such bonus, shall be determined by the Board or its Compensation Committee, in its sole discretion, after considering your performance and the Company’s performance for such fiscal year. If you are awarded a bonus with respect to a given fiscal year of the Company, the Company will make payment of such bonus no later than March 15 of the next fiscal year of the Company. Except as provided under the heading “Severance” below, a precondition to the annual bonus being considered earned is that you continuously remain an employee of the Company on the date on which any such annual bonus is paid.

- **Vacation; PTO.** You will be entitled to paid vacation in accordance with the Company’s then-current vacation policy.

- **Benefits.** You will also be entitled to participate in such benefits (including group medical, vision and dental insurance), if any, as the Company shall make available to executive-level employees and in such employee benefit plans and fringe benefits as may be offered or made available by the Company to its employees. The Company shall not unreasonably delay your ability to participate in such benefit plans and/or fringe benefit programs once such benefit plans and/or fringe benefits are available to employees. The Board reserves the right to change or terminate the Company’s employee benefit plans and fringe benefits. Your participation in such employee benefit plans and fringe benefits, and the amount and nature of the benefits to which you shall be entitled thereunder or in connection therewith, shall be subject to the terms and conditions of such employee benefit plans and fringe benefits. Until the Company makes group health insurance available to its employees, the Company will reimburse you for your COBRA (as defined below) group health insurance premiums for you and your eligible dependents in the same manner as the Company makes such reimbursement for all eligible employees.

- **Expenses.** Upon delivery of reasonable documentation, you will be entitled to reimbursement by the Company during the term of your employment for reasonable travel, business development, and other business expenses incurred by you in the performance of your duties hereunder in accordance with the then-current policies and practices of the Company.
• **Initial Equity Award and Future Equity Awards.** Upon approval by the Company’s Board of Directors or its Compensation Committee, the Company will grant you a restricted stock award of 325,000 shares of the Company’s common stock (the “Shares”) pursuant to a restricted stock purchase agreement (the “Restricted Stock Purchase Agreement”) which you must sign as a condition to receiving the Shares. The Restricted Stock Purchase Agreement shall contain the following vesting terms: 1/4th of the Shares shall vest on the one-year anniversary of the date of grant, and an additional 1/48th of the Shares shall vest on the corresponding day of each month thereafter until all of the Shares are vested, in each case subject to your continued provision of services to the Company as either an employee or consultant through each applicable vesting date. In addition to the foregoing you shall be eligible to receive grants of Company equity awards in the sole discretion of and subject to the approval of the Board or its Compensation Committee.

**Severance**

• **Termination Without Cause or Resignation for Good Reason following an Equity Financing.** Following the completion of an Equity Financing (which term is defined below in this Agreement), in the event that the Company terminates your employment other than due to: (i) Cause (which term is defined below in this Agreement), or (ii) your death or disability, or in the event that you terminate your employment with the Company for Good Reason (which term is defined below in this Agreement), then, subject to the condition precedent of your execution and delivery of the Company’s standard form general release to be delivered to you at the time of your termination, which release becomes irrevocable within sixty (60) days following your termination, you will be entitled to the following severance benefits (the “Non-CIC Severance Benefits”):

  (i) your Base Salary for a period of nine (9) months following your termination of employment (such applicable period, the “Severance Period”), which amount shall be paid in equal installments on the Company’s regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your termination of employment; provided, however, that no payments will be made prior to the sixtieth (60th) day following your termination of employment. On the sixtieth (60th) day following your termination of employment, the Company will pay you in a lump sum the Base Salary that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Section 409A (as defined below) and the effectiveness of the release, with the balance of the Base Salary being paid as originally scheduled. For such purposes, your final Base Salary will be calculated at the rate in effect as of the effective date of termination of your employment and prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason;

  (ii) if you are eligible for and timely elect to continue your health insurance coverage under the Company’s group health plans under the Consolidated Omnibus Budget Reconciliation Act of 1985 or the state equivalent (“COBRA”) following your termination date, the Company will pay the COBRA group health insurance premiums for you and your eligible dependents until the earliest of (A) the close of the Severance Period, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by you under a Section 125 health care reimbursement plan under the Internal Revenue Code of 1986, as amended (the “Code”). Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the
Public Health Service Act), then regardless of whether you elect continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the Severance Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the “Health Care Benefit Payment”). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the Severance Period or (ii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment;

(iii) the vesting of all outstanding equity awards held by you shall be accelerated so that the amount of shares vested under such equity award shall equal that number of shares which would have been vested if you had continued to render services to the Company through the Severance Period; and

(iv) outplacement assistance, in duration and amounts that are determined by the Company to be reasonable in its sole discretion.

• Termination Without Cause or Resignation for Good Reason During a Change in Control Period. In the event that the Company terminates your employment other than due to: (i) Cause, or (ii) your death or disability, or you terminate your employment with the Company for Good Reason, in each case at any time during the Change in Control Period (which term is defined below in this Agreement) then, subject to the condition precedent of your execution and delivery of the Company’s standard form general release to be delivered to you at the time of your termination, which release becomes irrevocable within sixty (60) days following your termination, you will be entitled to the following severance benefits (the “CIC Severance Benefits”) in lieu of any Non-CIC Severance Benefits (and for the avoidance of doubt: (x) in no event will you be entitled to both the Non-CIC Severance Benefits and the CIC Severance Benefits, and (y) if the Company has commenced providing the Non-CIC Severance Benefits to you prior to the date that you become eligible to receive the CIC Severance Benefits, the Non-CIC Severance Benefits previously provided to you (or your beneficiaries or estate, as applicable) shall reduce the CIC Severance Benefits provided below):

(i) your Base Salary for a period of nine (9) months following your termination of employment (such period, the “CIC Severance Period”), which amount shall be paid in equal installments on the Company’s regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your termination of employment; provided, however, that no payments will be made prior to the sixtieth (60th) day following your termination of employment. On the sixtieth (60th) day following your termination of employment, the Company will pay you in a lump sum the Base Salary that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Section 409A (as defined below) and the effectiveness of the release, with the balance of the Base Salary being paid as originally scheduled. For such purposes, your final Base Salary will be calculated at the rate in effect as of the effective date of termination of your employment with the Company and prior to giving effect to any reduction in Base Salary that would give rise to your right to resign for Good Reason;
(ii) a lump sum payment in an amount equal to your target annual bonus for the Company’s then-current fiscal year, which payment shall be paid on the Company’s first standard payroll date following the later of (A) the date that is sixty (60) days following your date of termination, but in no event more than seventy-five (75) days thereafter, or (B) the date of the Change in Control;

(iii) if you are eligible for and timely elect to continue your health insurance coverage under the Company’s group health plans under COBRA following your termination date, the Company will pay the COBRA group health insurance premiums for you and your eligible dependents until the earliest of (A) the close of the CIC Severance Period, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment. For purposes of this Section, references to COBRA premiums shall not include any amounts payable by you under a Section 125 health care reimbursement plan under the Code. Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot pay the COBRA premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then regardless of whether you elect continued health coverage under COBRA, and in lieu of providing the COBRA premiums, the Company will instead pay you on the last day of each remaining month of the CIC Severance Period, a fully taxable cash payment equal to the Health Care Benefit Payment. The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the COBRA premiums would otherwise have been paid and shall be equal to the amount that the Company would have otherwise paid for COBRA premiums, and shall be paid until the earlier of (i) expiration of the CIC Severance Period or (ii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment;

(iv) If such termination is due to the Company terminating your employment for any reason (other than Cause or due to your death or disability) or your termination of your employment with the Company for Good Reason, then the vesting of all outstanding equity awards held by you shall be accelerated on the later of (A) the date of your termination or (B) the date of such Change in Control, so that all such equity awards shall be deemed to be fully vested. In addition, subject to the terms of the Company’s equity plan, any such equity awards that are stock options may be exercised by you (or your legal guardian or legal representative) until the latest of (x) three (3) months after the date of your termination of employment (y) with respect to any portion of such equity awards that become exercisable on the date of a Change in Control pursuant to this clause (iv), three (3) months after the date of the Change in Control, or (z) such longer period as may be specified in the applicable equity award agreement; provided, however, that in no event shall any equity award that is a stock option remain exercisable beyond the original outside expiration date of such equity award; and

(v) outplacement assistance, in duration and amounts that are determined by the Company to be reasonable in its sole discretion.
Certain Definitions.

For purposes of this Agreement, the following definitions shall be applicable:

“Cause” shall mean any one or more of the following: (i) your intentional commission of an act, or intentional failure to act, that materially injures the business of the Company; provided, however, that in no event shall any business judgment made in good faith by you and within your defined scope of authority constitute a basis for termination for Cause under this Agreement; (ii) your intentional refusal or intentional failure to act in accordance with any lawful and proper direction or order of the Board or the Supervising Officer; (iii) your material breach of your fiduciary, statutory, contractual, or common law duties to the Company (including any material breach of this Agreement, the Proprietary Rights Agreement (as defined below), or the Company’s written policies); (iv) your indictment for or conviction of any felony or any crime involving dishonesty; or (v) your participation in any fraud or other act of willful misconduct against the Company; provided, however, that in the event that any of the foregoing events is reasonably capable of being cured, the Company shall provide written notice to you describing the nature of such event and you shall thereafter have twenty (20) days to cure such event.

“Change in Control” shall mean (1) a sale of all or substantially all of the Company’s assets other than to an Excluded Entity, (2) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (3) the consummation of a transaction, or series of related transactions, in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company’s then outstanding voting securities. Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company’s incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company’s Board of Directors. An “Excluded Entity” means a corporation, limited liability company or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation’s, limited liability company’s or other entity’s voting securities outstanding immediately after such transaction. As used in this Agreement, the consummation of (i) a transaction or series of related transactions in which any “person” or “group” (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company’s board of directors, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company; provided, however, that following the Company’s IPO, “Change in Control” shall have the meaning described in the Company’s stock plan adopted by the Company in connection with the Company’s IPO.

“Change in Control Period” means the three (3) months prior to or within one (1) year after such Change in Control.

“Equity Financing” means the consummation of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells in excess of $8,000,000 of preferred stock at a fixed valuation, including but not limited to, a pre-money or post-money valuation.
“Good Reason” means any one or more of the following: (i) a material diminution in the nature or scope of your duties; (ii) a material reduction in your Base Salary (other than as part of a reduction in the base salaries of all or substantially all other senior executives of the Company that is in the same proportion as the reduction in your Base Salary); and (iii) the permanent, non-voluntary relocation of your principal place of employment with the Company to a location that increases your one-way commuting distance by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation. In order for you to resign for Good Reason, each of the following requirements must be met: (A) you must provide written notice to the Board or the Supervising Officer within sixty (60) calendar days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation; (B) you must allow the Company at least twenty (20) days from receipt of such written notice from you sufficiently describing such alleged Good Reason to cure such event; (C) such event must not be cured by the Company within such twenty (20) day period; and (D) you must resign for Good Reason not later than sixty (60) days after the expiration of the foregoing cure period.

“IPO” means the Company’s initial public offering of shares of its common stock pursuant to an effective Registration Statement on Form S-1.

Withholding Taxes
All payments and benefits described in this Agreement or that you may otherwise be entitled or eligible to receive as a result of your employment with the Company will be subject to applicable federal, state and local tax withholdings.

409A Compliance
It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code (the “Section 409A”), provided under Treasury Regulations 1.409A 1(b)(4), 1.409A 1(b)(5) and 1.409A 1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A. In furtherance of the foregoing, the severance payments payable under the heading “Severance” shall be paid no later than the last date permitted in order to satisfy the exemption from Section 409A under Treasury Regulations 1.409A 1(b)(4). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A 2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements 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. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute “nonqualified deferred compensation” subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a “separation from service” with the Company (as such term is defined in Treasury Regulation Section 1.409A-1(h) and any successor provision thereto) (a “Separation from Service”). Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service under Section 409A to be a “specified employee” for purposes of Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be “deferred compensation”, then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such
payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month and one day period measured from the date of your Separation from Service with the Company, or (ii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. If the Company determines that any severance benefits provided under this Agreement constitute “nonqualified deferred compensation” under Section 409A, for purposes of determining the schedule for payment of the severance benefits, any such severance benefits shall not be paid, or in the case of installments shall not commence payment, until the sixtieth (60th) day following the Separation from Service or other applicable payment event. In addition to the above, to the extent required to comply with Section 409A and the applicable regulations and guidance issued thereunder, if the applicable deadline for you to execute (and not revoke) the applicable release spans two calendar years, payment of the applicable severance benefits shall not commence until the beginning of the second calendar year. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to you under this Agreement shall be paid to you 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 you) during any one year may not effect amounts reimbursable or provided in any subsequent year. The Company makes no representation that any or all of the payments described in 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. Notwithstanding the foregoing if a Change in Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes “nonqualified deferred compensation,” the transaction or event constituting the Change in Control must also constitute a “change in control event” (as defined in Treasury Regulation §1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

Nondisclosure and Developments

As a condition of your employment you shall sign the Company’s standard employee Confidential Information and Invention Assignment Agreement (the “Proprietary Rights Agreement”).

No Conflicting Obligation

You hereby represent and warrant that the execution and delivery of this Agreement, the performance by you of any or all of the terms of this Agreement and the performance by you of your duties as an employee of the Company do not and will not breach or contravene (i) any agreement or contract (including, without limitation, any employment or consulting agreement, any agreement not to compete or any confidentiality or nondisclosure agreement) to which you are or may become a party on or at any time after your commencement of employment or (ii) any obligation you may otherwise have under applicable law to any former employer or to any person to whom you have provided, provide or will provide consulting services. You hereby further represent and warrant to the Company that, prior to the date of this Agreement, you have provided to the Company a copy of any and all potentially conflicting agreements for the Company’s review.
**Defend Trade Secrets Act Notice of Immunity Rights**

You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of proprietary information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the proprietary information to your attorney and use the proprietary information in the court proceeding, if you file any document containing the proprietary information under seal, and do not disclose the proprietary information, except pursuant to court order.

**Termination**

You acknowledge that the employment relationship between the Company and you is at-will, meaning that the employment relationship may be terminated by the Company or you for any reason or for no reason. Either party may terminate your employment with the Company at any time and for any or no reason upon thirty (30) days prior written notice; provided that the Company may terminate you for Cause and you may resign for Good Reason at any time upon written notice.

Regardless of the reason your employment with the Company terminates, you will continue to comply with the Proprietary Rights Agreement contemplated hereby.

**Work Eligibility**

You agree that prior to the commencement of employment, you will provide the Company with sufficient documentation to demonstrate your eligibility to work in the United States and, at the request of the Company, shall provide any additional documentation requested by the Company to demonstrate your eligibility to work in the United States.

**Governing Law**

This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of California.

**Dispute Resolution**

To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment from the Company, 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 conducted in San Francisco, California by JAMS, Inc. ("JAMS") or its successors, under JAMS’ then applicable rules and procedures for employment disputes (which can be found at http://www.jamsadr.com/rules-clauses/, and which will be provided to you on request); provided that 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; and (b) issue a written arbitration decision including the arbitrator’s essential findings and conclusions and a statement of the award. You and the Company shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. BOTH YOU AND THE COMPANY ACKNOWLEDGE THAT BY AGREEING TO THIS ARBITRATION PROCEDURE, YOU AND THE COMPANY WAIVE THE RIGHT TO RESOLVE ANY SUCH DISPUTE THROUGH A TRIAL BY JURY OR JUDGE OR ADMINISTRATIVE
PROCEEDING. The Company shall pay all filing fees in excess of those which would be required if the dispute were decided in a court of law, and shall pay the arbitrator’s fee. Nothing in this Agreement is intended to prevent either the Company or you from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. This section is intended to be the exclusive method for resolving any and all claims by the parties against each other for payment of damages under this Agreement or relating to your employment; provided, however, that you shall retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (i) claims for workers’ compensation, state disability insurance or unemployment insurance; (ii) claims for unpaid wages or waiting time penalties brought before the California Division of Labor Standards Enforcement (or any similar agency in any applicable jurisdiction other than California); provided, however, that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this Agreement; and (iii) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that you shall not be entitled to obtain any monetary relief through such agencies other than workers’ compensation benefits or unemployment insurance benefits.

**Entire Agreement: Amendment**

This Agreement (together with the Proprietary Rights Agreement and the Salary Deferral Agreement contemplated hereby) sets forth the sole and entire agreement and understanding between the Company and you with respect to the specific matters contemplated and addressed hereby and thereby. No prior agreement, whether written or oral, shall be construed to change or affect the operation of this Agreement in accordance with its terms, and any provision of any such prior agreement, which conflicts with or contradicts any provision of this Agreement, is hereby revoked and superseded. Any prior agreement, if any, you may have with the Company regarding your employment, whether written or oral, is hereby, and without any further action on your part or the Company’s, terminated, revoked and superseded by this Agreement. This Agreement may be amended or terminated only by a written instrument executed both by you and the Company.

**Notices**

Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

**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 to the extent possible in keeping with the intent of the Parties.
Waiver

Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

Counterparts

This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but both of which taken together will constitute one and the same Agreement.

Headings

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

Indemnification and Director’s and Officer’s Insurance

The Company will indemnify you to the fullest extent permitted by the laws of the State of Delaware, as in effect at the time of the subject act or omission, and you shall be entitled to the protection of any insurance policies the Company may elect to maintain generally for the benefit of its directors and officers.

Successors and Assigns

This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and your respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.
Please acknowledge your acceptance of the terms of this Agreement by signing below and returning a copy to me.

Sincerely,

PARDES BIOSCIENCES, INC.

By: /s/ Uri Lopatin, M.D.
Name: Uri Lopatin, M.D.
Title: President and CEO

Accepted and Agreed:

I hereby acknowledge that I have had a full and adequate opportunity to read, understand and discuss the terms and conditions contained in this Agreement prior to signing hereunder.

/s/ Brian P. Kearney, PharmD
Brian P. Kearney, PharmD
Date: 9/23/2020
EXHIBIT 10.12

PARDES BIOSCIENCES, INC

AMENDMENT NO. 1 TO EXECUTIVE OFFER LETTER

This Amendment No. 1 (the “Amendment”) dated as of December 23, 2020 to the Executive Offer Letter (the “Original Agreement”) dated September 21, 2020, is by and between Pardes Biosciences, Inc, a Delaware corporation (the “Company”), and Brian P. Kearney, PharmD (“Employee”). All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Original Agreement.

WHEREAS, pursuant to the Original Agreement, the Company and Employee may amend the Original Agreement by written agreement executed by both the Company and Employee.

WHEREAS, the Company and Employee desire to amend certain provision of the Original Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and the Employee agree as follows:

1. Effective as of January 1, 2021, the Original Agreement is amended as provided below:
   (a) The “Benefits” subsection of the “Compensation” section under the Original Agreement is amended by deleting the last sentence thereof.
   (b) The definition of “Equity Financing” in the “Certain Definitions” section under the Original Agreement is amended by deleting the reference to “$8,000,000” therein and inserting “$10,000,000” in lieu thereof.

2. Except as specifically amended by this Amendment, all of the terms and provisions of the Original Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained in this Amendment will not be construed as an amendment to or waiver of any other provision of the Original Agreement or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party. On and after the Effective Date, each reference in the Original Agreement to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “therein,” or words of like import will mean and be a reference to the Original Agreement as amended by this Amendment.

3. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

[Remainder of page intentionally left blank]
The parties have executed this Amendment No. 1 to Restricted Stock Purchase Agreement as of the date first set forth above.

THE COMPANY:

PARDES BIOSCIENCES, INC.

By: /s/ Uri A. Lopatin, M.D.
Name: Uri A. Lopatin, M.D.
Title: Chief Executive Officer and President

EMPLOYEE:

/s/ Brian P. Kearney, PharmD
BRIAN P. Kearney, PharmD
1. **Purpose.** Pardes Biosciences Inc. (the “Company”) considers it essential to the best interests of its stockholders to foster the continuous employment of key management personnel. The Board of Directors of the Company (the “Board”) recognizes, however, that, as is the case with many publicly-held corporations, the possibility of an involuntary termination of employment, either before or after a Change in Control (as defined in Section 2 hereof), exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders. Therefore, the Board has determined that the Pardes Biosciences Inc. Executive Severance Plan (the “Plan”) should be adopted to reinforce and encourage the continued attention and dedication of the Company’s Covered Executives (as defined in Section 2 hereof) to their assigned duties without distraction. Nothing in this Plan shall be construed as creating an express or implied contract of employment and nothing shall alter the “at will” nature of the Covered Executives’ employment with the Company.

2. **Definitions.** The following terms shall be defined as set forth below:

   (a) “Accounting Firm” shall mean a nationally recognized accounting firm selected by the Company.

   (b) “Administrator” means the Board or the Compensation Committee of the Board.

   (c) “Base Salary” shall mean the higher of (i) the annual base salary in effect immediately prior to the Date of Termination or (ii) the annual base salary in effect for the year immediately prior to the year in which the Date of Termination occurs.

   (d) “Cause” shall mean, and shall be limited to, the occurrence of any one or more of the following events:

      (i) the Covered Executive’s intentional commission of an act, or intentional failure to act, that materially injures the business of the Company;

      (ii) the Covered Executive’s intentional refusal or intentional failure to act in accordance with any lawful and proper direction or order of the Board or the Covered Executive’s manager, as applicable;

      (iii) the Covered Executive’s material breach of Covered Executive’s fiduciary, statutory, contractual, or common law duties to the Company (including any material breach of the Restrictive Covenant Agreement or the Company’s written policies);

      (iv) the Covered Executive’s indictment for or conviction of any felony or any crime involving dishonesty;
(v) the Covered Executive’s participation in any fraud or other act of willful misconduct against the Company; provided, however, that for clauses (i) and (ii), in no event shall any business judgment made in good faith by Covered Executive and within Covered Executive’s defined scope of authority constitute a basis for termination for Cause under this Plan. Further, that in the event that any of the foregoing events listed in clauses (i) or (v) is reasonably capable of being cured, the Company shall provide Covered Executive with written notice describing the nature of such event and Covered Executive shall thereafter have twenty (20) days to cure such event.

(e) “Change in Control” shall mean a Sale Event, as defined in the Pardes Biosciences Inc. 2021 Stock Option and Incentive Plan, as amended from time to time.

(f) “Change in Control Period” shall mean the period beginning on the date three (3) months prior to a Change in Control and ending on the one-year anniversary of the Change in Control.

(g) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(h) “Covered Executives” shall mean the Tier 1 Executive and those other employees designated by the Administrator in its sole discretion as the Tier 2 Executives and Tier 3 Executives, and, in each case, who meet the eligibility requirements set forth in Section 4 of the Plan.

(i) “Date of Termination” shall mean the date that a Covered Executive’s employment with the Company (or any successor) ends, which date shall be specified in the Notice of Termination. Notwithstanding the foregoing, a Covered Executive’s employment shall not be deemed to have been terminated solely as a result of the Covered Executive becoming an employee of any direct or indirect successor to the business or assets of the Company.

(j) “Disability” shall mean the following: if through any illness, injury, accident or condition of either a physical or psychological nature, the Covered Executive becomes unable to perform substantially all of the Covered Executive’s duties and responsibilities for a continuous period of sixteen (16) consecutive weeks or for any twenty-six (26) weeks within a fifty-two (52) week period. Determinations as to whether Covered Executive is Disabled shall be made by a physician selected by the Board or its insurers and acceptable to the Covered Executive or the Covered Executive’s legal representative, such agreement as to acceptability not to be unreasonably withheld or delayed.

(k) “Good Reason” shall mean that the Covered Executive has complied with the “Good Reason Process” following the occurrence of any of the following events without consent:

(i) a material diminution in the nature or scope of Covered Executive’s position, responsibilities, authority or duties;

(ii) a material reduction in Covered Executive’s Base Salary (other than as part of a reduction in the base salaries of all or substantially all other senior executives of the Company that is in the same proportion as the reduction in Covered Executive’s Base Salary); or
(iii) the permanent, non-voluntary relocation of Covered Executive’s principal place of employment with the Company to a location that increases Covered Executive’s one-way commuting distance by more than fifty (50) miles as compared to Covered Executive’s then-current principal place of employment immediately prior to such relocation.

For purposes of Section 2(k)(i), a change in the reporting relationship, or a change in a title will not, by itself, be sufficient to constitute a material diminution of responsibilities, authority or duties. Additionally, a reassignment of certain of Covered Executive’s authority, duties or responsibilities related to certain business units/departments, divisions or functions to others will not, by itself, constitute a material diminution of responsibilities, authority or duties for purposes of Section 2(k)(i), so long as Covered Executive retains his/her authority, duties or responsibilities (including by way of oversee of others) for at least one of the significant business units/departments, divisions or functions for which the Covered Executive has had primary responsibility.

(l) “Good Reason Process” shall mean:

(i) the Covered Executive reasonably determines in good faith that a “Good Reason” condition has occurred;

(ii) the Covered Executive notifies the Company in writing of the first occurrence of the Good Reason condition within sixty (60) days of the first occurrence of such condition;

(iii) the Covered Executive cooperates in good faith with the Company’s efforts, for a period of not less than thirty (30) days following such notice (the “Cure Period”), to remedy the condition;

(iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and

(v) the Covered Executive terminates the Covered Executive’s employment and provides the Company with a Notice of Termination with respect to such termination, each within sixty (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.

(m) “Notice of Termination” shall mean a written notice which shall indicate the specific termination provision in this Plan relied upon for the termination of a Covered Executive’s employment and the Date of Termination.

(n) “Participation Agreement” shall mean an agreement between a Covered Executive and the Company that acknowledges the Covered Executive’s participation in the Plan.
(o) “Qualified Termination Event” shall mean (i) a termination of the Covered Executive’s employment by the Company other than for Cause, death or Disability or (ii) the Covered Executive’s resignation from the Company for Good Reason.

(p) “Restrictive Covenants Agreement” shall mean the Proprietary Information and Invention Assignment Agreement or similar agreement entered into between the Covered Executive and the Company.

(q) “Tier 1 Executive” shall mean the Company’s Chief Executive Officer.

(r) “Tier 2 Executives” shall mean the individuals designated as such by the Administrator and who are listed in Exhibit A, attached hereto, as such exhibit is amended by the Administrator from time to time.

(s) “Tier 3 Executives” shall mean the individuals designated as such by the Administrator and who are listed in Exhibit B, attached hereto, as such exhibit is amended by the Administrator from time to time.

3. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have all powers necessary to enable it properly to carry out its duties with respect to the complete control of the administration of the Plan. Not in limitation, but in amplification of the foregoing, the Administrator shall have the power and authority in its discretion to:

(i) construe the Plan to determine all questions that shall arise as to interpretations of the Plan’s provisions;

(ii) determine which individuals are and are not Covered Executives, designate an individual as Tier 2 Executive or Tier 3 Executive, determine the benefits to which any Covered Executives may be entitled, the eligibility requirements for participation in the Plan and all other matters pertaining to the Plan;

(iii) adopt amendments to the Plan which are deemed necessary or desirable to comply with all applicable laws and regulations, including but not limited to Code Section 409A and the guidance thereunder;

(iv) make all determinations it deems advisable for the administration of the Plan, including the authority and ability to delegate administrative functions to a third party;

(v) decide all disputes arising in connection with the Plan; and

(vi) otherwise supervise the administration of the Plan.
4. **Eligibility.** All Covered Executives who have executed and submitted to the Company a Participation Agreement, and satisfied such other requirements as may be determined by the Administrator, are eligible to participate in the Plan. The Administrator may determine at any time that a Covered Executive should no longer be designated as such as a result of a material change in such Covered Executive’s role, and such individual shall cease to be eligible to participate in the Plan upon the Administrator taking action by resolution to update the applicable Exhibits hereto.

5. **Termination Benefits Generally.** In the event a Covered Executive’s employment with the Company is terminated for any reason, the Company shall pay or provide to the Covered Executive any earned but unpaid salary, unpaid expense reimbursements in accordance with Company policy, accrued but unused vacation (if the Company has an accrual vacation policy) or leave entitlement, and any vested benefits the Covered Executive may have under any employee benefit plan of the Company in accordance with the terms and conditions of such employee benefit plan (collectively, the “Accrued Benefits”), within the time required by law but in no event more than sixty (60) days after the Date of Termination.

6. **Termination Not in Connection with a Change in Control.** In the event of a Qualified Termination Event at any time other than during the Change in Control Period, with respect to such Covered Executive, in addition to the Accrued Benefits, subject to his or her execution of a separation agreement in a form and manner satisfactory to the Company containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property, and non-disparagement provisions and reaffirmation of the Restrictive Covenants Agreement (the “Separation Agreement and Release”) and the Separation Agreement and Release becoming irrevocable, all within the time period set forth in the Separation Agreement and Release but in no event more than sixty (60) days after the Date of Termination, and subject to the Covered Executive complying with the Separation Agreement and Release, the Company shall:

   (a) pay the Covered Executive an amount equal to twelve (12) months’ Base Salary for the Tier 1 Executive, nine (9) months’ Base Salary for each Tier 2 Executive and six (6) months’ Base Salary for each Tier 3 Executive;

   (b) if the Covered Executive was participating in the Company’s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Covered Executive a monthly cash payment in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Covered Executive if the Covered Executive had remained employed by the Company, based on the premium rates as of the Date of Termination, until the earlier of (i) twelve (12) months for the Tier 1 Executive, nine (9) months for each Tier 2 Executive and six (6) months for each Tier 3 Executive, after the Date of Termination, (ii) the expiration of the Covered Executive’s eligibility for the continuation coverage under COBRA, or (iii) the date when the Covered Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; and
The amounts payable under Section 6(a) and (b), as applicable, shall be paid out in substantially equal installments in accordance with the Company’s payroll practice over 12 (twelve) months for the Tier 1 Executive, nine (9) months for each Tier 2 Executive and six (6) months for each Tier 3 Executive, commencing within sixty (60) days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year no later than the last day of such 60-day period; provided further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

7. Termination in Connection with a Change in Control. In the event a Qualified Termination Event occurs within the Change in Control Period, then with respect to such Covered Executive, in addition to the Accrued Benefits, subject to his or her execution and non-revocation of the Separation Agreement and Release, all within the time period set forth in the Separation Agreement and Release, but in no event more than sixty (60) days after the Date of Termination, the Company shall:

   (a) cause 100% of the outstanding and unvested equity awards with time-based vesting held by the Covered Executive to immediately become fully vested, exercisable or nonforfeitable as of the Date of Termination (or the date of the Change in Control, if later); provided, that the performance conditions applicable to any outstanding and unvested equity awards subject to performance conditions will be deemed satisfied in the Administrator’s discretion or to the extent of the target level specified in the terms of the applicable award agreement. Notwithstanding the foregoing, in the event of a Change in Control where the parties to such Change in Control do not provide for the assumption, continuation or substitution of equity awards of the Company, any and all outstanding and unvested equity awards held by the Covered Executive shall be subject to Section 3(c) of the Company’s 2021 Stock Option and Incentive Plan, as amended from time to time;

   (b) pay to the Covered Executive an amount equal to the sum of (i) 150% of Base Salary for the Tier 1 Executive, 100% of Base Salary for each Tier 2 Executive and 50% of Base Salary for each Tier 3 Executive plus (ii) 150% for the Tier 1 Executive, 100% for each Tier 2 Executive and 50% for each Tier 3 Executive, of the Covered Executive’s annual target bonus in effect immediately prior to the Qualified Termination Event (or the Covered Executive’s annual target bonus in effect immediately prior to the Change in Control, if higher); and
(c) if the Covered Executive was participating in the Company’s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to Covered Executive and Covered Executive’s eligible dependents a lump sum cash payment in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Covered Executive and eligible dependents if the Covered Executive had remained employed by the Company for eighteen (18) months for the Tier 1 Executive, twelve (12) months for each Tier 2 Executive and six (6) months for each Tier 3 Executive, after the Date of Termination, based on the premium rates as of the Date of Termination.

The amounts payable under Section 7(b) and (c), as applicable, shall be paid out in a lump sum within sixty (60) days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year no later than the last day of the 60-day period. For the avoidance of doubt, the severance pay and benefits provided in this Section 7 shall apply in lieu of, and expressly supersede, the provisions of Section 6 and no Covered Executive shall be entitled to the severance pay and benefits under both Section 6 and 7 hereof.

8. Additional Limitation.

(a) Anything in this Plan to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Covered Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the “Aggregate Payments”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Covered Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Covered Executive receiving a higher After Tax Amount (as defined below) than the Covered Executive would receive if the Aggregate Payments were not subject to such reduction. In the event of such reduction, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (i) cash payments not subject to Section 409A of the Code; (ii) cash payments subject to Section 409A of the Code; (iii) equity-based payments and acceleration; and (iv) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(b) For purposes of this Section 8, the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Covered Executive as a result of the Covered Executive’s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Covered Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes (if any) which could be obtained from deduction of such state and local taxes.
(c) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 8(a) shall be made by the Accounting Firm, which shall provide detailed supporting calculations both to the Company and the Covered Executive within fifteen (15) business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Covered Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Covered Executive.

9. Restrictive Covenants Agreement

As a condition to participating in the Plan, each Covered Executive shall continue to comply with the terms and conditions contained in the Restrictive Covenants Agreements or similar agreement entered into between the Covered Executive and the Company and such other agreement(s) as designated in the applicable Participation Agreement. If a Covered Executive has not entered into a Restrictive Covenants Agreement or similar agreement with the Company, he or she shall enter into such agreement prior to participating in the Plan.

10. Withholding. All payments made by the Company under this Plan shall be subject to any tax or other amounts required to be withheld by the Company under applicable law.

11. Section 409A.

(a) Anything in this Plan to the contrary notwithstanding, if at the time of the Covered Executive’s “separation from service” within the meaning of Section 409A of the Code, the Company determines that the Covered Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Covered Executive becomes entitled to under this Plan would be considered deferred compensation subject to the twenty (20) percent additional tax imposed pursuant to Section 409A(a) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six (6) months and one (1) day after the Covered Executive’s separation from service, or (ii) the Covered Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) The parties intend that this Plan will be administered in accordance with Section 409A of the Code and that all amounts payable hereunder shall be exempt from the requirements of such section as a result of being “short term deferrals” for purposes of Section 409A of the Code to the greatest extent possible. To the extent that any provision of this Plan is not exempt from Section 409A of the Code and ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner to comply with Section 409A of the Code. Each payment pursuant to this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Plan may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.
(c) To the extent that any payment or benefit described in this Plan constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Covered Executive’s termination of employment, then such payments or benefits shall be payable only upon the Covered Executive’s “separation from service.” The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) All in-kind benefits provided and expenses eligible for reimbursement under this Plan shall be provided by the Company or incurred by the Covered Executive during the time periods set forth in this Plan. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(e) The Company makes no representation or warranty and shall have no liability to the Covered Executive or any other person if any provisions of this Plan are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

12. Notice and Date of Termination.

(a) Notice of Termination. A termination of the Covered Executive’s employment shall be communicated by Notice of Termination from the Company to the Covered Executive or vice versa in accordance with this Section 12.

(b) Notice to the Company. Any notices, requests, demands, and other communications provided for by this Plan shall be sufficient if in writing and delivered in person or sent by registered or certified mail, postage prepaid, to a Covered Executive at the last address the Covered Executive has filed in writing with the Company, or to the Company at the following physical or email address:

Pardes Biosciences Inc.
Attention: General Counsel
2173 Salk Ave.
Suite 250, PMB #052
Carlsbad, CA 92008

13. No Mitigation. The Covered Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Covered Executive by the Company under this Plan.
14. **Benefits and Burdens.** This Plan shall inure to the benefit of and be binding upon the Company and theCovered Executives, their respective successors, executors, administrators, heirs and permitted assigns. In the event of a Covered Executive’s death after a termination of employment but prior to the completion by the Company of all payments due to the Covered Executive under this Plan, the Company shall continue such payments to the Covered Executive’s beneficiary designated in writing to the Company prior to the Covered Executive’s death (or to the Covered Executive’s estate, if the Covered Executive fails to make such designation).

15. **Enforceability.** If any portion or provision of this Plan shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Plan, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Plan shall be valid and enforceable to the fullest extent permitted by law.

16. **Waiver.** No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Plan, or the waiver by any party of any breach of this Plan, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. **Non-Duplication of Benefits and Effect on Other Plans.** Notwithstanding any other provision in the Plan to the contrary, the benefits provided hereunder shall be in lieu of any other severance payments and/or benefits provided by the Company, including any such payments and/or benefits pursuant to an employment agreement or offer letter between the Company and the Covered Executive, other than as provided in Section 3(c) of the Company’s 2021 Stock Option and Incentive Plan, as amended from time to time.

18. **No Contract of Employment.** Nothing in this Plan shall be construed as giving any Covered Executive any right to be retained in the employ of the Company or shall affect the terms and conditions of a Covered Executive’s employment with the Company.

19. **Amendment or Termination of Plan.** The Company may amend or terminate this Plan at any time or from time to time, but no such action shall adversely affect the rights of any Covered Executive without the Covered Executive’s written consent.

20. **Governing Law.** This Plan shall be construed under and be governed in all respects by the laws of the State of Delaware, without giving effect to the conflict of laws principles.

21. **Obligations of Successors.** In addition to any obligations imposed by law upon any successor to the Company, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company shall expressly assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. **Effectiveness and Term.** The Executive Severance Plan is effective as of December 23, 2021 (the “Effective Date”).
Exhibit A

Tier 2 Executives

[***]

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1 Tier 2 = C-level Executives
Exhibit B

Tier 3 Executives

[***]

2 Tier 3 = Vice President Level
December 28, 2021

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read Pardes Biosciences, Inc’s (formerly known as FS Development Corp. II) statements included under Item 4.01 of its Form 8-K dated December 30, 2021. We agree with the statements concerning our Firm under Item 4.01, in which we were informed of our dismissal on December 23, 2021. We are not in a position to agree or disagree with other statements contained therein.

Very truly yours,

/s/ WithumSmith+Brown, PC

New York, New York
List of Subsidiaries

Pardes Biosciences Sub, Inc.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined balance sheet of the Combined Entity (as defined below) as of September 30, 2021, and the unaudited pro forma condensed combined statements of operations of the Combined Entity for the nine months ended September 30, 2021 and for the period from August 21, 2020 (inception) through December 31, 2020, and for the period from February 27, 2020 (inception) to December 31, 2020, present the combination of the financial information of FS Development Corp. II (“FSDC II”), and Pardes Biosciences Sub, Inc. (f/k/a Pardes Biosciences, Inc.) (“Old Pardes”) after giving effect to the Business Combination, PIPE Investment and related adjustments described in the accompanying notes. FSDC II and Old Pardes are collectively referred to herein as the “Companies”, and the Companies, subsequent to the Business Combination and PIPE Investment, are referred to herein as the “Combined Entity.” The Business Combination is accounted for as a reverse recapitalization, pursuant to which the Business Combination is treated as the equivalent of Old Pardes issuing stock for the net assets of FSDC II, accompanied by a recapitalization. The net assets of FSDC II are stated at historical cost, with no goodwill or other intangible assets recorded. Historical operations of the Combined Entity are those of Old Pardes.

The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021, and for the year ended December 31, 2020, give pro forma effect to the Business Combination and PIPE Investment (the “Transactions”) as if they had occurred on January 1, 2020. The unaudited pro forma condensed combined balance sheet as of September 30, 2021, gives pro forma effect to the Transactions as if they were completed on September 30, 2021.

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with:

• the accompanying notes to the unaudited pro forma condensed combined financial information;
• the audited historical financial statements of FSDC II as of December 31, 2020, and for the period from August 21, 2020 (inception) through December 31, 2020, and the related notes set forth in the prospectus filed pursuant to Rule 424(b)(3) under the Securities Act with the SEC on December 1, 2021, incorporated herein by reference;
• the unaudited historical financial statements of FSDC II as of and for the nine months ended September 30, 2021, and the related notes set forth in the prospectus filed pursuant to Rule 424(b)(3) under the Securities Act with the SEC on December 1, 2021, incorporated herein by reference;
• the unaudited historical financial statements of Old Pardes as of and for the nine months ended September 30, 2021, the audited historical financial statements as of December 31, 2020, and for the period from February 27, 2020 (inception) through December 31, 2020, and the related notes set forth in the prospectus filed pursuant to Rule 424(b)(3) under the Securities Act with the SEC on December 1, 2021, incorporated herein by reference;
• the disclosures contained in the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations of FS Development II,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Pardes” set forth in the prospectus filed pursuant to Rule 424(b)(3) under the Securities Act with the SEC on December 1, 2021, incorporated herein by reference.
The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and does not necessarily reflect what the Combined Entity’s financial condition or results of operations would have been had the Transactions occurred on the dates indicated. Further, the unaudited pro forma condensed combined financial information also may not be useful in predicting the future financial condition and results of operations of the Combined Entity. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma transaction accounting adjustments represent management’s estimates based on information available as of the date of this unaudited pro forma condensed combined financial information and are subject to change as additional information becomes available and analyses are performed.

The Combined Entity believes that its assumptions and methodologies provide a reasonable basis for presenting all the significant effects of the transactions based on information available to management at this time and that the unaudited pro forma transaction accounting adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

On December 23, 2021, the Combined Entity consummated the previously announced Business Combination pursuant to the Merger Agreement dated June 29, 2021, as amended as of November 7, 2021 (as amended, the “Merger Agreement”), between FSDC II, Orchard Merger Sub, Inc. (“Merger Sub”), Old Pardes and Shareholder Representative Services, LLC, through which Merger Sub merged with and into Old Pardes, with Old Pardes as the surviving company in the Merger. Upon the closing of the Business Combination, FSDC II changed its name to “Pardes Biosciences, Inc.”. Old Pardes is considered the accounting acquirer, as further discussed in Note 2, Basis of Presentation, of the unaudited pro forma condensed combined financial information.

The following unaudited pro forma condensed combined financial information presented herein reflects the redemption of 243,989 shares of common stock by FSDC II shareholders in conjunction with the shareholder meeting held on December 23, 2021, to vote on the Business Combination contemplated by the Merger Agreement.
### Combined Entity

**Unaudited Pro Forma Condensed Combined Balance Sheet**  
**As of September 30, 2021**  
*(in thousands)*

#### Historical

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<th>FSDC II (B)</th>
<th>Old Pardes (A)</th>
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<th>Pro Forma</th>
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<td>—</td>
<td>(201,262)</td>
<td>(a)</td>
<td>—</td>
</tr>
<tr>
<td>Deferred offering costs associated with proposed public offering</td>
<td>—</td>
<td>1,521</td>
<td>(1,521)</td>
<td>(a)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$201,833</td>
<td>$28,581</td>
<td>$55,018</td>
<td>(a)</td>
<td>$285,432</td>
</tr>
<tr>
<td><strong>Liabilities and Shareholders’ Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$184</td>
<td>$2,747</td>
<td>$417</td>
<td>(a)</td>
<td>$2,514</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>2,165</td>
<td>3,224</td>
<td>(2,234)</td>
<td>(a)</td>
<td>3,155</td>
</tr>
<tr>
<td>Franchise tax payable</td>
<td>149</td>
<td>—</td>
<td>(149)</td>
<td>(a)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>2,498</td>
<td>5,971</td>
<td>(2,800)</td>
<td>(a)</td>
<td>5,669</td>
</tr>
<tr>
<td>Deferred underwriting commissions</td>
<td>7,044</td>
<td>—</td>
<td>(7,044)</td>
<td>(a)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>9,542</td>
<td>5,971</td>
<td>(9,844)</td>
<td>(a)</td>
<td>5,669</td>
</tr>
<tr>
<td>Convertible preferred stock</td>
<td>—</td>
<td>59,132</td>
<td>(59,132)</td>
<td>(b)</td>
<td>—</td>
</tr>
<tr>
<td>Class A common stock subject to redemption</td>
<td>201,250</td>
<td>—</td>
<td>(201,250)</td>
<td>(b)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Stockholders’ Equity (Deficit)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(b)</td>
<td>—</td>
</tr>
<tr>
<td>Class A common stock</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(b)</td>
<td>—</td>
</tr>
<tr>
<td>Class B common stock</td>
<td>1</td>
<td>—</td>
<td>(1)</td>
<td>(b)</td>
<td>—</td>
</tr>
<tr>
<td>Common stock</td>
<td>—</td>
<td>7</td>
<td>7</td>
<td>(b)</td>
<td>7</td>
</tr>
<tr>
<td>Additional paid in capital</td>
<td>—</td>
<td>655</td>
<td>316,278</td>
<td>(b)</td>
<td>316,933</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(8,960)</td>
<td>(37,177)</td>
<td>8,960</td>
<td>(b)</td>
<td>(37,177)</td>
</tr>
<tr>
<td><strong>Total Stockholders’ Equity (Deficit)</strong></td>
<td>(8,959)</td>
<td>(36,522)</td>
<td>325,444</td>
<td>(b)</td>
<td>279,763</td>
</tr>
<tr>
<td><strong>Total Liabilities and Stockholders’ Equity (Deficit)</strong></td>
<td>$201,833</td>
<td>$28,581</td>
<td>$55,018</td>
<td>(a)</td>
<td>$285,432</td>
</tr>
</tbody>
</table>

**Pro Forma notes**

(A) Derived from the unaudited condensed balance sheet of Old Pardes as of September 30, 2021.

(B) Derived from the unaudited condensed balance sheet of FSDFC II as of September 30, 2021.

See accompanying notes to the unaudited pro forma condensed combined financial information.
### Combined Entity

**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

(in thousands, except share and per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th>FSDC II (B)</th>
<th>Old Pardes (A)</th>
<th>Transaction Pro Forma Adjustments</th>
<th>Note 4</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>—</td>
<td>$ 17,792</td>
<td>—</td>
<td></td>
<td></td>
<td>$ 17,792</td>
</tr>
<tr>
<td>General and administrative</td>
<td>3,334</td>
<td>6,389</td>
<td>150</td>
<td></td>
<td>(a)</td>
<td>9,873</td>
</tr>
<tr>
<td>General and administrative – related party</td>
<td>80</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td>80</td>
</tr>
<tr>
<td>Franchise tax expense</td>
<td>150</td>
<td>—</td>
<td>(150)</td>
<td></td>
<td>(a)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Operating expenses</strong></td>
<td>3,564</td>
<td>24,181</td>
<td>—</td>
<td></td>
<td></td>
<td>27,745</td>
</tr>
<tr>
<td><strong>Loss from operations</strong></td>
<td>(3,564)</td>
<td>(24,181)</td>
<td>—</td>
<td></td>
<td></td>
<td>(27,745)</td>
</tr>
<tr>
<td><strong>Other income (expense):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>12</td>
<td>10</td>
<td>(12)</td>
<td></td>
<td>(b)</td>
<td>10</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>(3,552)</td>
<td>$ (24,171)</td>
<td>$ (12)</td>
<td></td>
<td>(b)</td>
<td>$ (27,735)</td>
</tr>
<tr>
<td>Weighted common shares outstanding – Class A</td>
<td>17,083,104</td>
<td>1,463,172</td>
<td>—</td>
<td></td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Basic and diluted net loss per share – Class A</td>
<td>(0.16)</td>
<td>$ (16.52)</td>
<td>—</td>
<td></td>
<td></td>
<td>$ —</td>
</tr>
<tr>
<td>Weighted common shares outstanding – Class B</td>
<td>4,915,865</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Basic and diluted net loss per share – Class B</td>
<td>(0.16)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td>$ —</td>
</tr>
<tr>
<td>Weighted common shares outstanding</td>
<td>—</td>
<td>1,463,172</td>
<td>—</td>
<td>(c)</td>
<td>56,645,726</td>
<td></td>
</tr>
<tr>
<td><strong>Net loss per share – basic and diluted</strong></td>
<td>$ —</td>
<td>$ (16.52)</td>
<td>$ —</td>
<td>(c)</td>
<td>$ (0.49)</td>
<td></td>
</tr>
</tbody>
</table>

**Pro Forma notes**

(A) Derived from the unaudited condensed statement of operations and comprehensive loss of Old Pardes for the nine months ended September 30, 2021.

(B) Derived from the unaudited condensed statement of operations of FSDC II for the nine months ended September 30, 2021.

See accompanying notes to the unaudited pro forma condensed combined financial information.
UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF OPERATIONS FOR THE
PERIOD ENDED DECEMBER 31, 2020
(in thousands, except share and per share amounts)

<table>
<thead>
<tr>
<th>Historical</th>
<th>FSDC II (B)</th>
<th>Old Pardes (A)</th>
<th>Transaction Pro Forma Adjustments</th>
<th>Note 4</th>
<th>Pro Forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$ —</td>
<td>$ 4,563</td>
<td>$ —</td>
<td></td>
<td>$ 4,563</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1</td>
<td>750</td>
<td>—</td>
<td>—</td>
<td>751</td>
</tr>
<tr>
<td>Total Operating expenses</td>
<td>1</td>
<td>5,313</td>
<td>—</td>
<td>—</td>
<td>5,314</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(1)</td>
<td>(5,313)</td>
<td>—</td>
<td>—</td>
<td>(5,314)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in fair value of SAFEs</td>
<td>—</td>
<td>(7,693)</td>
<td>—</td>
<td>—</td>
<td>(7,693)</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (1)</td>
<td>$(13,006)</td>
<td>$ —</td>
<td>—</td>
<td>$(13,007)</td>
</tr>
<tr>
<td>Weighted common shares outstanding – Class A</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Basic and diluted net loss per share – Class A</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>—</td>
<td>$ —</td>
</tr>
<tr>
<td>Weighted common shares outstanding – Class B</td>
<td>4,375,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Basic and diluted net loss per share – Class B</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>—</td>
<td>$ —</td>
</tr>
<tr>
<td>Weighted common shares outstanding</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(c)</td>
<td>56,645,726</td>
</tr>
<tr>
<td>Net loss per share – basic and diluted</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>(c)</td>
<td>$ (0.23)</td>
</tr>
</tbody>
</table>

**Pro Forma notes**

(A) Derived from the audited statement of operations and comprehensive loss of Old Pardes for the period from February 27, 2020 (inception) through December 31, 2020.

(B) Derived from the audited statement of operations of FSDC II for the period from August 21, 2020 (inception) through December 31, 2020.

See accompanying notes to the unaudited pro forma condensed combined financial information.
Note 1 — Description of the Merger

On December 23, 2021, the Combined Entity consummated the previously announced Business Combination pursuant to the Merger Agreement between FSDCF II, Merger Sub, Old Pardes and Shareholder Representative Services LLC, through which Merger Sub merged with and into Old Pardes, with Old Pardes as the surviving company in the Merger. Upon the closing of the Business Combination, FSDCF II changed its name to “Pardes Biosciences, Inc.” (“New Pardes”).

As a result of the Merger, Old Pardes equity holders received an aggregate number of shares of Combined Entity Common Stock equal to (i) $325.0 million, divided by (ii) $10.00, or 32,500,000 shares. The final conversion ratio used to calculate the final Merger Consideration was 1.4078, resulting in 23,630,965 shares issued for all issued and outstanding Old Pardes common stock and preferred stock, 5,733,270 shares of unvested restricted stock, 2,878,138 shares issued for Old Pardes’s underlying vested, unvested, and unexercised options, and 257,627 shares reserved for contractually committed issuance under the 2021 Stock Option and Incentive Plan. In connection with the closing of the Business Combination, certain investors agreed to subscribe for and purchase an aggregate of $75.0 million of common stock of Combined Entity (the “PIPE Investment”).

The following represents the aggregate Merger consideration:

<table>
<thead>
<tr>
<th>(in thousands, except share and per share information)</th>
<th>Purchase Price</th>
<th>Shares Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share consideration to Old Pardes(ab)</td>
<td>$325,000</td>
<td>32,500,000</td>
</tr>
</tbody>
</table>

(a) The value of common stock issued to Old Pardes included in the consideration is reflected at $10.00 per share as defined in the Merger Agreement.

(b) The total 32,500,000 consideration shares include 23,630,965 shares to be issued for all issued and outstanding Old Pardes common and preferred stock, 5,733,270 shares of unvested restricted stock and 3,135,765 shares underlying unissued, unexercised and/or contractually committed stock options.

The following summarizes the unaudited pro forma common stock outstanding following the consummation of the Business Combination and the PIPE Investment:

<table>
<thead>
<tr>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSDCF II public stockholders, Sponsor and Directors</td>
<td>25,514,761</td>
</tr>
<tr>
<td>Total FSDCF II</td>
<td>25,514,761</td>
</tr>
<tr>
<td>Old Pardes(A)</td>
<td>23,630,965</td>
</tr>
<tr>
<td>Old Pardes shares of unvested restricted stock(A)</td>
<td>5,733,270</td>
</tr>
<tr>
<td>PIPE Shares</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Total Shares at Closing (excluding Old Pardes-Remaining Consideration shares)</td>
<td>62,378,996</td>
</tr>
<tr>
<td>Old Pardes Remaining Consideration Shares(A)</td>
<td>3,135,765</td>
</tr>
<tr>
<td>Total Shares at Closing</td>
<td>65,514,761</td>
</tr>
</tbody>
</table>

(A) Total consideration to be issued to Old Pardes is $325.0 million or 32,500,000 shares (at $10.00 per share). The total shares to be issued includes Old Pardes common and preferred stock plus shares underlying or contractually committed stock options as of December 23, 2021. Accordingly, the consideration shares outstanding at the closing of the Business Combination has been adjusted to exclude 3,135,765 stock options that were outstanding or contractually committed at the closing of the Business Combination. Total shares at closing of the Business Combination includes 5,733,270 shares of unvested restricted stock, which have voting rights but are not outstanding for accounting purposes. The Old Pardes-Remaining Consideration Shares reflect a conversion ratio of 1.4078 as of December 23, 2021. Old Pardes shares are presented as of September 30, 2021. Three Old Pardes investors, including two investors affiliated with the Sponsor, were participants in the PIPE Investment with 1,000,000 shares being issued in the aggregate to Sponsor affiliates and 500,000 shares being issued to the other Old Pardes investor, respectively.
Note 2 — Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses.” The historical financial information of FSDC II and Old Pardes include transaction accounting adjustments to illustrate the estimated effect of the Business Combination and the PIPE Investment and certain other adjustments to provide relevant information necessary for an understanding of the Combined Entity upon consummation of the transactions described herein.

The Business Combination will be accounted for as a reverse recapitalization because Old Pardes has been determined to be the accounting acquirer under Financial Accounting Standards Board’s Accounting Standards Codification Topic 805, Business Combinations (“ASC 805”). The determination is primarily based on the evaluation of the following facts and circumstances taking into consideration:

- The pre-combination equity holders of Old Pardes will hold the relative majority of voting rights in the Combined Entity;
- The pre-combination equity holders of Old Pardes will have the right to appoint the majority of the directors on the Combined Entity Board;
- Senior management of Old Pardes will comprise the senior management of the Combined Entity; and
- Operations of Old Pardes will comprise the ongoing operations of the Combined Entity.

Under the reverse recapitalization accounting model, the Business Combination will be treated as Old Pardes issuing stock for the net assets of FSDC II, with no goodwill or intangible assets recorded.

One-time direct and incremental transaction costs incurred prior to, or concurrent with, the closing of the Business Combination are reflected in the unaudited pro forma condensed combined balance sheet as a direct reduction to the Combined Entity’s additional paid-in capital and are assumed to be cash settled.

The unaudited pro forma condensed combined financial information does not reflect the income tax effects of the pro forma adjustments. Management believes this unaudited pro forma condensed combined financial information to not be meaningful given the Combined Entity incurred significant losses during the historical periods presented.

The unaudited pro forma condensed combined financial information does not reflect the income tax effects of the transaction accounting adjustments as any change in the deferred tax balance would be offset by an increase in the valuation allowance given Old Pardes incurred significant losses during the historical period presented.
The transaction accounting adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2021, are as follows:

**Pro Forma transaction accounting adjustments**

a) Represents the impact of the Business Combination on the cash balance of the Combined Entity. The table below represents the sources and uses of funds as it relates to the Business Combination:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Note</th>
<th>Pro Forma Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSDC II cash held in Trust Account</td>
<td>(1)</td>
<td>$201,262</td>
</tr>
<tr>
<td>PIPE – FSDC II Sponsor</td>
<td>(2)</td>
<td>10,000</td>
</tr>
<tr>
<td>PIPE – Old Pardes Shareholders</td>
<td>(2)</td>
<td>5,000</td>
</tr>
<tr>
<td>Other PIPE Investors</td>
<td>(2)</td>
<td>60,000</td>
</tr>
<tr>
<td>Proceeds from Old Pardes convertible notes with entities affiliated with the Sponsor and FSDC II’s officers</td>
<td>(3)</td>
<td>10,000</td>
</tr>
<tr>
<td>Payment of redeeming FSDC II Stockholders</td>
<td>(4)</td>
<td>(2,440)</td>
</tr>
<tr>
<td>Payment of deferred underwriting commissions</td>
<td>(5)</td>
<td>(7,044)</td>
</tr>
<tr>
<td>Payment of other transaction costs</td>
<td>(6)</td>
<td>(6,177)</td>
</tr>
<tr>
<td>Payment of FSDC II accrued transaction costs</td>
<td>(7)</td>
<td>(2,349)</td>
</tr>
<tr>
<td>Payment of Old Pardes accrued transaction costs</td>
<td>(7)</td>
<td>(302)</td>
</tr>
<tr>
<td>Payment of franchise tax payable</td>
<td>(7)</td>
<td>(149)</td>
</tr>
<tr>
<td>Repayment of Old Pardes convertible notes</td>
<td>(3)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Payment of FSDC II directors and officers liability insurance</td>
<td>(8)</td>
<td>(1,875)</td>
</tr>
<tr>
<td>Payment of Old Pardes directors and officers liability insurance</td>
<td>(8)</td>
<td>(3,488)</td>
</tr>
</tbody>
</table>

**Excess cash to balance sheet from the Business Combination**

<table>
<thead>
<tr>
<th>Pro Forma Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>$252,438</td>
</tr>
</tbody>
</table>

(1) Represents the amount of the cash held in the trust account upon consummation of the Business Combination at Closing.
(2) Represents the issuance, from the PIPE Investment, to certain investors of 75.0 million shares of Combined Entity common stock at a price of $10.00 per share.
(3) Represents the proceeds from and subsequent repayment of Old Pardes convertible notes entered into with entities affiliated with the Sponsor and FSDC II’s officers. Old Pardes issued convertible notes for an aggregate principal amount of $10.0 million from such affiliated entities. The convertible notes accrued interest at the annual rate of 4.0% per annum and were due and payable at the earlier of the closing under the Merger Agreement, the closing of a “corporate transaction” and at any time on or after the maturity date at Old Pardes’s election or upon demand of a purchaser. The notes were repaid in connection with the Merger closing.
(4) Represents the amount paid to FSDC II stockholders who exercised redemption rights.
(5) Represents payment of the deferred underwriting commissions.
(6) Represents the payment of related transaction expenses.
(7) Represents payment of accrued transaction costs related to the Business Combination.
(8) Represents payment of directors and officers liability insurance.
The following table represents the impact of the Business Combination and PIPE Investment on the number of shares of FSDC II Common Stock and represents the total equity:

<table>
<thead>
<tr>
<th>(in thousands, except share amounts)</th>
<th>Common Stock</th>
<th>Par Value</th>
<th>Old Pardes’ Stock</th>
<th>Additional paid-in capital</th>
<th>Accumulated deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Shares</td>
<td>Class A Stock</td>
<td>Class B Stock</td>
<td>Class A Stock</td>
<td>Class B Stock</td>
</tr>
<tr>
<td>Pre Business Combination – FSDC II stockholders</td>
<td>—</td>
<td>4,941,250</td>
<td>$ —</td>
<td>$ 1</td>
<td>$ —</td>
</tr>
<tr>
<td>Pre Business Combination – FSDC Holdings, LLC</td>
<td>602,500</td>
<td>90,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pre Business Combination – Old Pardes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>59,132</td>
</tr>
<tr>
<td>Conversion of Class B common stock to Class A common stock</td>
<td>5,031,250</td>
<td>5,031,250</td>
<td>1</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Reclassification of redeemable stock to Class A common stock</td>
<td>20,125,000</td>
<td>—</td>
<td>2</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Less: Redemption of redeemable shares</td>
<td>(243,989)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Old Pardes Stockholders, including Old Pardes Remaining Consideration</td>
<td>32,500,000</td>
<td>—</td>
<td>3</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>PIPE – Old Pardes stockholders</td>
<td>1,500,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>PIPE – Other Investors</td>
<td>6,000,000</td>
<td>—</td>
<td>1</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balances after share transactions of Combined Entity</td>
<td>65,514,761</td>
<td>—</td>
<td>7</td>
<td>—</td>
<td>59,132</td>
</tr>
<tr>
<td>Estimated transaction costs</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Elimination of historical accumulated deficit of FSDC II</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Elimination of historical stock of Old Pardes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(59,132)</td>
</tr>
<tr>
<td>Post-Business Combination</td>
<td>65,514,761</td>
<td>—</td>
<td>$ 7</td>
<td>$ 7</td>
<td>—</td>
</tr>
</tbody>
</table>

Note 4 — Transaction Accounting Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations for the Nine Months Ended September 30, 2021

The transaction accounting adjustments included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2021, are as follows:

**Pro Forma transaction accounting adjustments**

a) To reclass historical FSDC II franchise tax expense to general and administrative expenses of the Combined Entity.

b) To eliminate interest income generated by the Trust Account.

c) Basic and diluted net loss per share amounts. See Note 5 — Net Loss Per Share for additional details.

**Note 5 — Net Loss Per Share**

Net loss per share calculated using the historical weighted average shares outstanding, including shares issued through in connection with the FSDC II IPO and a private placement completed in February 2021, and the issuance of additional shares in connection with the Business Combination and PIPE Investment, assuming the shares were outstanding since January 1, 2020. As the Business Combination is being reflected as if it had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Business Combination and PIPE Investment have been outstanding for the entire period presented.
The unaudited pro forma condensed combined financial information has been for the nine months ended September 30, 2021, and the year ended December 31, 2020:

<table>
<thead>
<tr>
<th>(in thousands, except share and per share amounts)</th>
<th>Nine Months Ended September 30, 2021</th>
<th>Year Ended December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro forma net loss</strong></td>
<td>$(27,735)</td>
<td>$(13,007)</td>
</tr>
<tr>
<td><strong>Pro forma weighted average shares outstanding-basic and diluted</strong></td>
<td>56,645,726</td>
<td>56,645,726</td>
</tr>
<tr>
<td><strong>Pro forma net loss per share-basic and diluted</strong></td>
<td>$(0.49)</td>
<td>$(0.23)</td>
</tr>
</tbody>
</table>

**FSDC II**

<table>
<thead>
<tr>
<th><strong>Pro forma weighted average shares outstanding-basic and diluted</strong></th>
<th>25,514,761</th>
<th>25,514,761</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total FSDC II</strong></td>
<td>25,514,761</td>
<td>25,514,761</td>
</tr>
</tbody>
</table>

| **Old Pardes (1)**                                               | 23,630,965 | 23,630,965 |
| **PIPE Shares**                                                 | 7,500,000  | 7,500,000  |

| **Pro forma weighted average shares outstanding-basic and diluted (2)** | 56,645,726 | 56,645,726 |

---

(1) Excludes 5,733,270 shares of unvested restricted stock and 3,135,765 Old Pardes consideration shares that will be issued upon the occurrence of future events (i.e., exercise of stock options). Total consideration to be issued to Old Pardes is $325.0 million or 32,500,000 shares (at $10.00 per share). The total shares to be issued includes all issued and outstanding Old Pardes common and preferred stock plus shares of unvested restricted stock and shares underlying outstanding or contractually committed stock options as of December 23, 2021. Accordingly, the weighted average pro forma shares outstanding at close has been adjusted to exclude the portion of consideration shares that will be unvested, unissued, unexercised and/or contractually committed at the closing of the Business Combination.

(2) For the purposes of calculating diluted earnings per share, it was assumed that all Old Pardes stock options are exchanged for Class A common stock. However, since this results in anti-dilution, the effect of such exchange was not included in calculation of diluted loss per share. Shares underlying these instruments exclude 5,733,270 shares of unvested restricted stock and 3,135,765 Old Pardes consideration shares for granted and contractually committed stock options.