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

FORM 8-K

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

Date of Report (Date of earliest event reported): July 18, 2018

AEGLEA BIOTHERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37722
(Commission
File Number)

46-4312787
(IRS Employer
Identification No.)

**901 S. MoPac Expressway
Barton Oaks Plaza One
Suite 250
Austin, TX**
(Address of principal executive offices)

78746
(Zip Code)

(512) 942-2935
(Registrant's telephone number, including area code)

(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))

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

Emerging growth company

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

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

(c) and (e)

On July 18, 2018, Aeglea BioTherapeutics, Inc. (the “*Company*”) and Anthony G. Quinn, the Company’s interim Chief Executive Officer, entered into an offer letter (the “*Offer Letter*”) providing the terms of Dr. Quinn’s employment with the Company. Pursuant to the Offer Letter, Dr. Quinn will hold the position of President and Chief Executive Officer, will receive an annual base salary of \$507,000 and will be eligible for an annual bonus with a target of 50% of his base salary based on performance objectives as established by the board of directors of the Company.

Pursuant to the Offer Letter, the Company also granted Dr. Quinn (i) an option (the “*Time-Based Option*”) to purchase 300,000 shares of the Company’s common stock with an exercise price of \$9.36 per share, which will vest over a 48 month period, subject to Dr. Quinn’s continued service to the Company on each monthly vesting date, and (ii) three options (the “*Performance-Based Options*”) and together with the Time-Based Option, the “*CEO Grants*”) to purchase an aggregate of 200,000 shares of the Company’s common stock with an exercise price of \$9.36 per share, which will vest based on the achievement of certain performance objectives set by the board of directors of the Company. Certain of the CEO Grants are subject to the approval by the stockholders of the Company of an increase in the available pool of shares under the Company’s 2016 Equity Incentive Plan (the “*Plan*”). The foregoing descriptions are qualified in their entirety by the full text of the Offer Letter, which is filed as Exhibit 10.1 to this report and incorporated herein by reference.

On July 18, 2018, the Company also entered into a severance agreement (the “*Severance Agreement*”) with Dr. Quinn. Pursuant to the terms of the Severance Agreement, Dr. Quinn will be entitled to certain severance benefits if he is subject to (i) a Separation within 3 months prior to or 12 months following a Change in Control as a result of the Company or its successor terminating the executive officer’s employment for any reason other than Cause or Dr. Quinn voluntarily resigning his employment for Good Reason (a “*CIC Qualifying Termination*”) or (ii) a Separation that is not a CIC Qualifying Termination, but which results from the Company terminating his employment for any reason other than Cause or Dr. Quinn voluntarily resigning his employment for Good Reason (as such capitalized terms are defined in the Severance Agreement) (a “*Qualifying Termination*”).

Pursuant to the Severance Agreement, the Company has agreed to provide Dr. Quinn the following benefits in the event that he is subject to a:

(i) CIC Qualifying Termination:

- payment of his base salary for 18 months;
- one-hundred percent (100%) of his annual target bonus;
- payment of the monthly benefits premium under COBRA for up to 18 months;
- acceleration of any outstanding Equity Awards, including awards that would otherwise vest only upon satisfaction of performance criteria, which shall accelerate and become vested and exercisable as to 100% of the then unvested shares underlying the Equity Award.

(ii) Qualifying Termination:

- payment of his base salary for 18 months;
- one-hundred percent (100%) of his annual target bonus;
- payment of the monthly benefits premium under COBRA for up to 18 months;
- acceleration of any outstanding Equity Awards, including awards that would otherwise vest only upon satisfaction of performance criteria, which shall accelerate and become vested and exercisable as if an additional twelve (12) months of vesting had occurred to the then-unvested shares subject to the Equity Award.

Following termination of employment, Dr. Quinn will be required to sign a release of claims against the Company and its affiliates prior to receiving severance benefits under the Severance Agreement. The foregoing descriptions are qualified in their entirety by the full text of the Severance Agreement, which is filed as Exhibit 10.2 to this report and incorporated herein by reference.

Financial Statements and Exhibits

Item 9.01.

(d) Exhibits.

Exhibit No.	Description
10.1	<u>Offer Letter, dated July 18, 2018 by and between the Company and Anthony G. Quinn.</u>
10.2	<u>Severance Agreement, dated July 18, 2018 by and between the Company and Anthony G. Quinn.</u>

SIGNATURE

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.

AEGLEA BIOTHERAPEUTICS, INC.

Date: July 23, 2018

By: /s/ Charles N. York II
Charles N. York II
Chief Financial Officer

July 18, 2018

Dr. Anthony G. Quinn
(via email aquinn@aeaglebio.com)

Re: Offer of Employment: President & Chief Executive Officer

Dear Anthony:

On behalf of Aeglea BioTherapeutics, Inc. (the “Company”), it is my pleasure to formally offer you the position of President & Chief Executive Officer with a start date of July 18, 2018. This is a full-time position. This letter (the “Offer Letter”) contains an overview of the responsibilities, compensation and benefits associated with this position. We are hopeful that you will accept this offer and look forward to the prospect of having a mutually successful relationship with you. This Offer Letter supersedes the Offer Letter between you and the Company dated August 31, 2017.

EMPLOYMENT

Subject to the terms and conditions of this Offer Letter, you shall hold the position of President & Chief Executive Officer. You will report to the Company’s Board of Directors (“Board”) and your activities shall be as directed by the Board and shall have such duties, authorities and responsibilities commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies. You will continue to serve as member of the Board and during the period in which you are serving as Chief Executive Officer, the Company shall nominate you to continue such services on the Board. During employment with the Company, you will be expected to devote your full-time business time and attention to the business and affairs of the Company. The Company will honor your two current other private company board commitments, provided that doing so does not materially interfere with you providing services to the Company under this Offer Letter and does not present any material conflict of interest to the Company. You agree not to actively engage in any other employment, occupation or consulting activity for any direct or indirect remuneration without the prior approval of the Board. You will be expected to abide by all of the Company’s employment policies and procedures, including but not limited to the Company’s policies prohibiting employment discrimination and harassment, the Company’s rules regarding proprietary information and trade secrets.

BASE SALARY

Your annual Base Salary will be \$507,000 (the “Base Salary”) less any federal, state and local payroll taxes and other withholdings legally required or properly requested by you. The Base Salary will be payable to you in accordance with the Company’s regular payroll practices and procedures and will be subject to periodic review and adjustment, at the Company’s discretion. Your Base Salary will be subject to review and may be increased (but not reduced below \$507,000) as determined by the Board in accordance with the Company’s annual review process.

BONUS

Each calendar year, Executive will be eligible to earn an additional cash bonus with a target bonus of fifty percent (50%) of the Base Salary (the “Annual Bonus”), based upon the Board’s assessment of Executive’s individual performance and the Company’s attainment of targeted

goals as set by the Board in its sole discretion. The actual amount of such Annual Bonus will be determined by the Board (or a committee of the Board) in its sole discretion. Your receipt of the Annual Bonus shall be conditioned upon your achievement of performance objectives set by the Board in writing after consultation with you in the applicable calendar year. The Board will determine in its sole discretion whether such performance objectives have been achieved. The Annual Bonus for any given year will be payable between January 1 and March 15 in the year immediately following the year to which the performance relates. An Annual Bonus will not be earned if your employment ends for any reason before the final day of the bonus year.

EQUITY AWARDS

As additional compensation, and subject to approval by the Board, you will be granted an option under the 2016 Equity Incentive Plan ("Plan") in July 2018, which will be an incentive stock option if available, to purchase 300,000 shares of Company common stock with an exercise price equal to the fair market value of the Company's stock on the date of grant (the "Option"). The grant of the Option will also be subject to the approval of the Company's stockholders, to the extent required by applicable law. The shares subject to the Option will vest over a 48 month period with 2.0833% vesting on the one month anniversary of your commencing employment as Chief Executive Officer under this Offer Letter and the balance in monthly installments thereafter, subject to your continued service through the applicable vesting date. Subject to approval by the Board, you will be granted a second option under the Plan, which will be an incentive stock option if available, to purchase 200,000 shares of Company common stock with an exercise price equal to the fair market value of the Company's stock on the date of grant, which shall be no later than July 31, 2018 (the "Second Option"). The grant of the Second Option will also be subject to the approval of the Company's stockholders, to the extent required by applicable law. The shares subject to the Second Option will vest based on the achievement of performance objectives set by the Board in writing after consultation with you and subject to your continued service through the applicable vesting date.

As Chief Executive Officer, you would be eligible for additional annual equity awards pursuant to any plan or arrangement the Company has in effect from time to time and you will be eligible for the 2019 annual grant.

Each of the Options will be granted pursuant to and subject to the terms and conditions of the Plan and will be further subject to the terms of an option agreement as approved by the Board setting forth the vesting conditions and other restrictions. To the extent there is any discrepancy between this Offer Letter and the terms of any option agreement, the option agreement will control.

SEVERANCE

Upon commencement of employment under this Offer Letter, and subject to approval of the Board, you will also be entitled to the benefits set out in the accompanying Severance Agreement.

BENEFITS

During your regular full-time employment with the Company, you will be eligible to participate in any medical, dental, or other health/life employee benefit plans, if any, of the Company. You may be eligible to participate in employee benefit plans on the same basis and subject to the same qualifications and limitations, as other similarly situated employees in the Company. Please note that all Company benefit plans will be governed by and subject to plan documents and/or written policies. You will also be eligible to receive any paid holiday time and vacation time observed

by the Company in accordance with the Company's policies and procedures. The Company reserves the right to amend, modify, and/or terminate any of its employee benefit plans or policies, at any time, provided the same amendment, modification or termination is applied to all similarly situated executives.

EXPENSE REIMBURSEMENT

The Company will reimburse you for all reasonable and necessary expenses incurred by you in connection with performing your duties as an employee of the Company and that are pre-approved by the Company, provided that you comply with any Company policy or practice on submitting, accounting for and documenting such expenses. For a one year period from the date you commence employment under this Offer Letter, the Company will reimburse up to \$5,000 per month in expenses for travel between Boston and Austin, including the costs of flights, hotels, rental cars and meals. In addition, you will be reimbursed up to \$25,000 to move certain personal property to Austin in order to maintain suitable temporary lodging when traveling to Austin. Amounts reimbursed will be subject to reduction for applicable withholding taxes and will be grossed up for taxes such that, after subtracting all applicable federal, state and local income and withholding taxes with respect to the reimbursement and the additional gross up cash payment (in each case calculated based on the highest marginal tax rate applicable to you), the amount retained by you equals the amount of the reimbursable expenses. Given your circumstance, known to the Board at the time of your appointment as Chief Executive Officer, these reimbursements will be reviewed on an annual basis and considered for renewal subject to the approval of the Board.

EMPLOYMENT AT WILL

Although we hope for a long and mutually beneficial relationship, this letter is not a contract of employment for a definite term. Employment with the Company is "at will," and is not guaranteed for any specific length of service or any specific position.

Accordingly, as an "at-will" employee, the Company may terminate your employment or you may resign your employment with the Company at any time, for any reason or no reason, but you shall be entitled to the benefits set out in the accompanying Severance Agreement.

COVENANTS

This offer letter and your employment is subject to documentation of authorization to work in the United States if not already provided. You acknowledge that you have signed a Proprietary Information and Inventions Assignment Agreement (the "Agreement"), and you acknowledge that your employment with the Company is contingent upon your continued compliance with this Agreement.

Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this letter agreement (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A of the Internal Revenue Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement or in kind benefits to be provided in any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

EMPLOYEE REPRESENTATIONS

Please understand it is the policy of the Company not to solicit or accept proprietary information and / or trade secrets of other companies or third parties. If you have or have had access to trade secrets or other confidential, proprietary information from your former employer or another third party, the use of such information in performing your duties at the Company is prohibited. This may include, but is not limited to, confidential or proprietary information in the form of documents, magnetic media, software, customer lists, and business plans or strategies.

In making this employment offer, the Company has relied on your representation that: (a) you are not currently a party to any agreement that would restrict your ability to accept this offer or to perform services for the Company; (b) you are not subject to any non- competition or non-solicitation agreement or other restrictive covenants that might restrict your employment by the Company as contemplated by this offer; (c) you have the full right, power and authority to execute and deliver the Agreement and to perform all of your obligations thereunder; and (d) you will not bring with you to the Company or use in the performance of your responsibilities at the Company any materials, documents or work product of a former employer or other third party that are not generally available to the public, unless you have obtained written authorization from such former employer or third party for their possession and use and have provided the Company with a copy of same.

This offer, once accepted, and together with the confidentiality agreement referred to above, constitutes the entire agreement between you and the Company with respect to the subject matter hereof and supersedes all prior offers, negotiations and agreements, if any, whether written or oral, relating to such subject matter. You acknowledge that neither the Company nor its agents have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this agreement for the purpose of inducing you to execute the agreement, and you acknowledge that you have executed this agreement in reliance only upon such promises, representations and warranties as are contained herein.

We look forward to your contribution to the Company. If you have any questions about the terms of this offer or the contents of this letter, please feel free to contact me. In acknowledgment and acceptance of our offer, please sign this Offer Letter and return to me directly.

Sincerely,

AEGLEA BIOTHERAPEUTICS, INC.

By: /s/ Armen B. Shanafelt, Ph.D.

Armen B. Shanafelt, Ph.D.

Chairman of Board of Directors

SEVERANCE AGREEMENT

This Severance Agreement (the “**Agreement**”) is entered into as of July 18, 2018 (the “**Effective Date**”) by and between Anthony Quinn (the “**Executive**”) and Aglea BioTherapeutics, Inc., a Delaware corporation (the “**Company**”).

1. Term of Agreement.

This Agreement shall terminate on the date the Executive’s employment with the Company or its subsidiary, as applicable, terminates for a reason other than a Qualifying Termination or CIC Qualifying Termination (the “**Expiration Date**”); provided however, if a definitive agreement relating to a Change in Control has been signed by the Company on or before the Expiration Date, then this Agreement shall remain in effect through the earlier of:

- The date the Executive’s employment with the Company terminates for a reason other than a Qualifying Termination or CIC Qualifying Termination, or
- The date the Company has met all of its obligations under this Agreement following a termination of the Executive’s employment with the Company due to a Qualifying Termination or CIC Qualifying Termination.

2. Qualifying Termination. If the Executive is subject to a Qualifying Termination, then, subject to Sections 4, 9, and 10 below, Executive will be entitled to the following benefits:

- (a) **Severance Benefits.** The Company or its subsidiaries shall pay the Executive (i) 18 months of his monthly base salary and (ii) one-hundred percent (100%) of the Executive’s annual target bonus (in each case, at the rate in effect immediately prior to the actions that resulted in the Qualifying Termination). The severance benefits shall be paid through salary continuation in equal installments in accordance with the Company’s or its subsidiary’s, as applicable, standard payroll procedures, with the initial payment to occur on the first payroll date following the sixtieth (60th) day following the Separation, with the first installment to include a catchup payment for amounts covering the period from the date of Separation through the first payment date, *provided that* the Release Conditions have been satisfied. However, if the period comprising the sum of the sixty (60)-day period described in the preceding sentence and the ten (10)-day period described in Section 7(e)(3) below spans two calendar years, then the payments which constitute deferred compensation subject to Section 409A will not in any case commence in the first calendar year. The period between the date of Executive’s Separation and final severance payment shall be referred to herein as the “**Severance Period.**”
- (b) **Continued Employee Benefits.** If Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”), the Company or its subsidiary shall pay the full amount of Executive’s COBRA premiums on behalf of the Executive for the Executive’s continued coverage under the Company’s or its subsidiary’s, as applicable, health, dental and vision plans, including coverage for the Executive’s eligible dependents, for the Severance Period. Notwithstanding the foregoing, if the Company, in its sole discretion, determines that it cannot provide the foregoing subsidy of COBRA coverage without potentially violating or causing the Company or its subsidiary to incur additional expense as a result of
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noncompliance with applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company or its subsidiary instead shall provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of the Separation (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence on the later of (i) the first day of the month following the month in which Executive experiences a Separation and (ii) the effective date of the Company's determination of violation of applicable law, and shall end on the earlier of (x) the effective date on which Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer, and (y) the last day of the Severance Period, *provided that*, any taxable payments under this Section 2(b) will not be paid before the first business day occurring after the sixtieth (60th) day following the Separation and, once they commence, will include any unpaid amounts accrued from the date of Executive's Separation (to the extent not otherwise satisfied with continuation coverage). However, if the period comprising the sum of the sixty (60)-day period described in the preceding sentence and the ten (10)-day period described in Section 7(e)(3) below spans two calendar years, then the payments which constitute deferred compensation subject to Section 409A will not in any case be paid in the first calendar year. Executive shall be paid an additional gross-up payment to account for the fact that such COBRA premium amounts are paid on an after-tax basis.

- (c) **Equity.** Any outstanding Equity Awards, including awards that would otherwise vest only upon satisfaction of performance criteria, shall accelerate and become vested and exercisable as if an additional twelve (12) months of vesting had occurred to the then-unvested shares subject to the Equity Award; provided, however, if the performance metric is for a period longer than twelve (12) months, the vesting shall occur if the metric is actually met during the time period indicated in the grant. Equity Awards subject to performance-based vesting criteria as of the date of the Separation shall accelerate and become vested and exercisable as to the number of shares subject to such Equity Award that would have vested if Executive had completed an additional twelve (12) months of service following the date of Separation, provided, however, that the vesting of such performance-based awards shall be as if all applicable performance criteria were achieved at target levels during such 12-month period. Subject to Section 4, the accelerated vesting described above shall be effective as of the Separation.

3. CIC Qualifying Termination. If the Executive is subject to a CIC Qualifying Termination, then, subject to Sections 4, 9, and 10 below, Executive will be entitled to the following benefits:

- (a) **Severance Benefits.** The Company or its subsidiary shall pay the Executive the severance benefits set forth in Section 2(a) above.
- (b) **Continued Employee Benefits.** The Company or its subsidiary shall pay the Executive the continued employee benefits set forth in Section 2(b) above for the same period that the Executive is paid severance benefits pursuant to Section 3(a) following the Executive's Separation or, if earlier, until Executive becomes covered by a health, dental or vision insurance plan of a subsequent employer or until Executive is no longer eligible for COBRA benefits.

(c) **Equity.** Each of Executive's then outstanding Equity Awards, including awards that would otherwise vest only upon satisfaction of performance criteria, shall accelerate and become vested and exercisable as to 100% of the then unvested shares underlying the Equity Award. For awards that would otherwise vest only upon satisfaction of performance criteria, the foregoing acceleration shall be based on achievement of performance criteria at target, except to the extent otherwise provided in the award agreement evidencing such award. "**Equity Awards**" means all options to purchase shares of Company common stock as well as any and all other stock-based awards granted to the Executive, including but not limited to stock bonus awards, restricted stock, restricted stock units or stock appreciation rights. Subject to Section 4, the accelerated vesting described above shall be effective as of the Separation.

4. General Release. Any other provision of this Agreement notwithstanding, the benefits under Section 2 and 3 shall not apply unless the Executive (i) has executed a general release (in a form prescribed by the Company) of all known and unknown claims that he or she may then have against the Company or entities or persons affiliated with the Company and such release has become effective and (ii) has agreed not to prosecute any legal action or other proceeding based upon any of such claims. The release must be in the form prescribed by the Company, without alterations (this document effecting the foregoing, the "**Release**"). The Company or its subsidiary will deliver the form of Release to the Executive within thirty (30) days after the Executive's Separation. The Executive must execute and return the Release within the time period specified in the form.

5. Accrued Compensation and Benefits. Notwithstanding anything to the contrary in Section 2 and 3 above, in connection with any termination of employment upon or following a Change in Control (whether or not a Qualifying Termination or CIC Qualifying Termination), the Company or its subsidiary shall pay Executive's earned but unpaid base salary and other vested but unpaid cash entitlements for the period through and including the termination of employment, including unused earned vacation pay and unreimbursed documented business expenses incurred by Executive prior to the date of termination (collectively "**Accrued Compensation and Expenses**"), as required by law and the applicable Company or its subsidiary, as applicable, plan or policy. In addition, Executive shall be entitled to any other vested benefits earned by Executive for the period through and including the termination date of Executive's employment under any other employee benefit plans and arrangements maintained by the Company or its subsidiary, as applicable, in accordance with the terms of such plans and arrangements, except as modified herein (collectively "**Accrued Benefits**"). Any Accrued Compensation and Expenses to which the Executive is entitled shall be paid to the Executive in cash as soon as administratively practicable after the termination, and, in any event, no later than two and one-half (2-1/2) months after the end of the taxable year of the Executive in which the termination occurs or at such earlier time as may be required by applicable law or Section 10 below, and to such lesser extent as may be mandated by Section 9 below. Any Accrued Benefits to which the Executive is entitled shall be paid to the Executive as provided in the relevant plans and arrangements.

6. Covenants.

(a) **Non-Competition.** The Executive agrees that the benefits provided in this Agreement are granted in consideration for the ongoing promises and obligations of Executive

under his employment agreement and any amendments thereto, including but not limited to Executive's obligations concerning non-competition and non-solicitation.

- (b) **Cooperation and Non-Disparagement.** The Executive agrees that, during the Severance Period, he or she shall cooperate with the Company or its subsidiary in every reasonable respect and shall use his or her best efforts to assist the Company or its subsidiary with the transition of Executive's duties to his or her successor. The Executive further agrees that following the date of Separation, he or she shall not in any way or by any means disparage the Company, its subsidiaries, or the members of their Board of Directors or their officers and employees.

7. Definitions.

- (a) **"Cause"** means (i) an unauthorized use or disclosure by Executive of the Company's or its subsidiaries' confidential information or trade secrets, which use or disclosure causes or is reasonably likely to cause material harm to the Company or its subsidiaries, (ii) a material breach of any agreement between Executive and the Company or its subsidiaries, (iii) a material failure to comply with the Company's or its subsidiaries' written policies or rules that has caused or is reasonably likely to cause material injury to the Company, its successor, or its affiliates, or any of their business, (iv) conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any state thereof, (v) willful misconduct that has caused or is reasonably likely to cause material injury to the Company, its successor, or its affiliates, or any of their business, (vi) embezzlement, (vii) failure to cooperate with the Company or its subsidiaries in any investigation or formal proceeding if the Company or its subsidiary, as applicable, has requested Executive's reasonable cooperation, (viii) violation of any applicable federal, state or foreign statutes or laws that govern or regulate employment, pharmaceutical drugs or securities, including but not limited to the laws enforced by the federal Equal Employment Opportunity Commission, Department of Labor, Food and Drug Administration, Securities and Exchange Commission and Department of Justice or (ix) a continued failure to perform assigned duties after receiving written notification of such failure from the Company's or its subsidiaries', as applicable, Chief Executive Officer; *provided that* Executive must be provided with written notice of Executive's termination for "Cause" and Executive must be provided with a thirty (30) day period following Executive's receipt of such notice to cure the event(s) that trigger "Cause," with the Company's or its subsidiaries', as applicable, Board of Directors making the final determination whether Executive has cured any Cause.
- (b) **"Code"** means the Internal Revenue Code of 1986, as amended.
- (c) **"Change in Control."** For all purposes under this Agreement, a Change in Control shall mean a "Corporate Transaction," as such term is defined in the Company's 2015 Equity Incentive Plan, as may be amended from time to time, *provided that* the transaction (including any series of transactions) also qualifies as a change in control under U.S. Treasury Regulation 1.409A-3(i)(5)(v) or 1.409A-3(i)(5)(vii).
- (d) **"CIC Qualifying Termination"** means a Separation (A) within twelve (12) months following a Change in Control or (B) within three (3) months preceding a Change in Control (but as to part (B), only if the Separation occurs after a Potential Change in Control) resulting, in either case (A) or (B), from (i) the Company or its subsidiary, as applicable,

terminating the Executive's employment for any reason other than Cause or (ii) the Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to the Executive's death or disability shall not constitute a CIC Qualifying Termination. A "**Potential Change in Control**" means the date of execution of a legally binding and definitive agreement for a corporate transaction which, if consummated, would constitute the applicable Change in Control (which for the avoidance of doubt, would include a merger agreement, but not a term sheet for a merger agreement). In the case of a termination following a Potential Change in Control and before a Change in Control, solely for purposes of benefits under this Agreement, the date of Separation will be deemed the date the Change in Control is consummated.

- (e) "**Good Reason**" means, without the Executive's consent, (i) a material reduction in the Executive's level of responsibility and/or scope of authority, (ii) a reduction by more than 10% in Executive's base salary (other than a reduction generally applicable to executive officers of the Company or its subsidiary, as applicable, and in generally the same proportion as for the Executive), or (iii) requiring Executive to travel to Austin, TX more than two weeks per month on average or to permanently relocate more than fifty (50) miles from Gloucester, MA. For the purpose of clause (i), a change in responsibility shall not be deemed to occur (A) solely because Executive is part of a larger organization or (B) solely because of a change in title. For the Executive to receive the benefits under this Agreement as a result of a voluntary resignation under this subsection (e), all of the following requirements must be satisfied: (1) the Executive must provide notice to the Company or its subsidiary, as applicable, of his or her intent to assert Good Reason within sixty (60) days of the initial existence of one or more of the conditions set forth in subclauses (i) through (iii); (2) the Company or its subsidiary, as applicable, will have thirty (30) days (the "**Company Cure Period**") from the date of such notice to remedy the condition and, if it does so, the Executive may withdraw his or her resignation or may resign with no benefits; and (3) any termination of employment under this provision must occur within ten (10) days of the earlier of expiration of the Company Cure Period or written notice from the Company or its subsidiary, as applicable, that it will not undertake to cure the condition set forth in subclauses (i) through (iii). Should the Company or its subsidiary, as applicable, remedy the condition as set forth above and then one or more of the conditions arises again within twelve months following the occurrence of a Change in Control, the Executive may assert Good Reason again subject to all of the conditions set forth herein.
- (f) "**Release Conditions**" mean the following conditions: (i) Company has received the Executive's executed Release and (ii) any rescission period applicable to the Executive's executed Release has expired.
- (g) "**Qualifying Termination**" means a Separation that is not a CIC Qualifying Termination, but which results from (i) the Company or its subsidiary, as applicable, terminating the Executive's employment for any reason other than Cause or (ii) the Executive voluntarily resigning his or her employment for Good Reason. A termination or resignation due to the Executive's death or disability shall not constitute a Qualifying Termination.
- (h) "**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

8. Successors.

- (a) **Company's Successors.** The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets, by an agreement in substance and form satisfactory to the Executive, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets or which becomes bound by this Agreement by operation of law.
- (b) **Executive's Successors.** This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Golden Parachute Taxes.

- (a) **Best After-Tax Result.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("**Payments**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (a), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("**Excise Tax**"), then, subject to the provisions of Section 10, such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent which would result in the Payments being \$1.00 less than the amount at which any portion of the Payments would be subject to the Excise Tax ("**Reduced Amount**"), whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made by independent tax counsel designated by the Company and reasonably acceptable to Executive ("**Independent Tax Counsel**"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required under this Section, Independent Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code; *provided that* Independent Tax Counsel shall assume that Executive pays all taxes at the highest marginal rate. The Company and Executive shall furnish to Independent Tax Counsel such information and documents as Independent Tax Counsel may reasonably request in order to make a determination under this Section. The Company shall bear all costs that Independent Tax Counsel may reasonably incur in connection with any calculations contemplated by this Section. In the event that Section 9(a)(ii)(B) above applies, then based on the information provided to Executive and the Company by Independent Tax Counsel, the cutback described hereunder will apply as to compensation not subject to Section 409A of the Code prior to compensation subject to Section 409A of the Code and will otherwise apply on a reverse chronological basis from payments latest in time. If the Internal Revenue Service (the "**IRS**") determines that any Payment is subject to the Excise Tax,

then Section 9(b) hereof shall apply, and the enforcement of Section 9(b) shall be the exclusive remedy to the Company.

- (b) **Adjustments.** If, notwithstanding any reduction described in Section 9(a) hereof (or in the absence of any such reduction), the IRS determines that Executive is liable for the Excise Tax as a result of the receipt of one or more Payments, then Executive shall be obligated to surrender or pay back to the Company or its subsidiary, as applicable, within one-hundred twenty (120) days after a final IRS determination, an amount of such payments or benefits equal to the “**Repayment Amount.**” The Repayment Amount with respect to such Payments shall be the smallest such amount, if any, as shall be required to be surrendered or paid to the Company or its subsidiary, as applicable, so that Executive’s net proceeds with respect to such Payments (after taking into account the payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount with respect to such Payments shall be zero (0) if a Repayment Amount of more than zero (0) would not eliminate the Excise Tax imposed on such Payments or if a Repayment Amount of more than zero would not maximize the net amount received by Executive from the Payments. If the Excise Tax is not eliminated pursuant to this Section 9(b), Executive shall pay the Excise Tax.

10. Miscellaneous Provisions.

- (a) **Section 409A.** To the extent (i) any payments to which Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with Executive’s termination of employment with the Company or its subsidiary, as applicable, constitute deferred compensation subject to Section 409A of the Code and (ii) Executive is deemed at the time of such termination of employment to be a “specified” employee under Section 409A of the Code, then such payment or payments shall not be made or commence until the earlier of (i) the expiration of the six (6)-month period measured from the Executive’s Separation; or (ii) the date of Executive’s death following such Separation; *provided, however,* that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive’s beneficiary in one lump sum (without interest). Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Agreement (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A of the Code, the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year shall not affect the expenses eligible for reimbursement or in kind benefits to be provided in any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the calendar year in which Executive incurred such expenses, and in no event shall any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit. To the extent that any provision of this Agreement is ambiguous as to its exemption or compliance with Section 409A, the provision will be read in such a manner so that all payments hereunder are exempt from Section 409A to the maximum permissible extent, and for any payments where such construction is not tenable, that those payments comply with Section 409A to the maximum permissible extent. To the extent any payment under this Agreement may

be classified as a “short-term deferral” within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this Agreement (or referenced in this Agreement) are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Section 409A.

- (b) **Other Arrangements.** This Agreement supersedes any and all cash severance arrangements and vesting acceleration arrangements on change in control under any agreement governing Equity Awards, severance and salary continuation arrangements, programs and plans which were previously offered, or may be offered on the Effective Date or thereafter, by the Company or its subsidiary, as applicable, to the Executive, including change in control severance arrangements and vesting acceleration arrangements pursuant to an agreement governing Equity Awards, employment agreement or offer letter, and Executive hereby waives Executive’s rights to such other benefits. In no event shall any individual receive cash severance benefits under both this Agreement and any other severance pay or salary continuation program, plan or other arrangement with the Company or its subsidiaries. For the avoidance of doubt, in no event shall Executive receive payment under both Section 2 and Section 3 with respect to Executive’s Separation.
- (c) **Dispute Resolution.** To ensure rapid and economical resolution of any and all disputes that might arise in connection with this Agreement, Executive and the Company agree that any and all disputes, claims, and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation, will be resolved solely and exclusively by final, binding, and confidential arbitration, by a single arbitrator, in the State of Texas, and conducted by Judicial Arbitration & Mediation Services, Inc. (“JAMS”) under its then-existing employment rules and procedures. Nothing in this section, however, is intended to prevent either party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Each party to an arbitration or litigation hereunder shall be responsible for the payment of its own attorneys’ fees.
- (d) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or deposited with Federal Express Corporation, with shipping charges prepaid. In the case of the Executive, mailed notices shall be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.
- (e) **Waiver.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

- (f) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.
- (g) **Severability.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.
- (h) **No Retention Rights.** Nothing in this Agreement shall confer upon the Executive any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or any subsidiary of the Company or of the Executive, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause.
- (i) **Choice of Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas (other than its choice-of-law provisions).

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

AEGLEA BIOTHERAPEUTICS, INC.

/s/ Armen B. Shanafelt, Ph.D.

By: Armen B. Shanafelt, Ph.D.

Title: On behalf of the Board of Directors

/s/ Anthony Quinn, M.B Ch.B, Ph.D.

Anthony Quinn, M.B Ch.B, Ph.D.