

**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): February 1, 2022

Assembly Biosciences, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35005
(Commission File Number)

20-8729264
(IRS Employer
Identification No.)

**331 Oyster Point Blvd., Fourth Floor,
South San Francisco, California**
(Address of Principal Executive Offices)

94080
(Zip Code)

Registrant's Telephone Number, Including Area Code: (833) 509-4583

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001	ASMB	The Nasdaq Global Select Market

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

Emerging growth company

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

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

On February 1, 2022, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Assembly Biosciences, Inc. (the “Company”) approved a new cash bonus plan, the 2022 Corporate Bonus Plan (the “Plan”). The Plan is effective as of January 1, 2022 and is designed to motivate, retain, attract and reward employees through a combination of corporate and individual performance-based incentive compensation goals achieved between January 1 and December 31 each year (a “Performance Period”). Under the Plan, cash bonuses will be paid to Company employees who commence employment no later than October 31 of a Performance Period and who are designated for participation by the Committee or the Chief Executive Officer (“Participants”), including the named executive officers.

The Plan is to be administered by the Committee, which will have full power and authority to administer and interpret the Plan, and under the terms of the Plan, the Committee has delegated to the Chief Executive Officer full power and authority to administer and interpret the Plan and any cash bonuses awarded under the Plan with respect to Non-Executive Participants (as defined in the Plan).

The Plan is designed to award a cash bonus based on achievement of (1) certain Company-wide objectives (“Corporate Objectives”) and/or (2) certain individual performance objectives, which may include certain department, group and/or team objectives applicable to the Participants (“Individual Objectives”). Relative weights of Corporate Objectives and Individual Objectives for each level of Participants, subject to adjustment by the Committee or the Chief Executive Officer, as applicable, are as follows:

<u>Title</u>	<u>Weight of Corporate Objectives</u>
Chief Executive Officer	100%
C-Level (other than Chief Executive Officer)	75%
Senior Vice President/Vice President	50%
Below Vice President	25%

Corporate Objectives will be approved by the Board within 90 days after the beginning of the Performance Period and consist of financial and operational metrics established by the Board. The Board will assign each objective a weight reflecting its relative importance to the Company’s achievement of its goals. The Corporate Objectives and their relative weight may be adjusted at any time during the Performance Period based on unanticipated events in the Board’s sole discretion. The Committee may also make adjustments that it considers reasonable and appropriate to the weighting of the Corporate Objectives based on unanticipated events, changes in the Company’s priorities or other equitable considerations. The Committee will determine, considering analysis and recommendations from management, the degree to which the Corporate Objectives have been met, which will be expressed as a percentage of Corporate Objectives achieved.

Individual Objectives shall be set as provided in the Plan.

Participants are eligible to earn cash bonuses targeted at a specified percentage of his or her base salary during the applicable Performance Period. Bonus targets range from 75% of the base salary for the Chief Executive Officer, 30% to 55% of a Participant’s base salary for the Executive Participants and Non-Executive Participants at the Vice President level and above and up to 28% of a Participant’s base salary for Non-Executive Participants below the Vice President level.

Cash bonuses can range from 0 to 1.5 times a Participant’s bonus target and are expected to be paid in the first quarter following the completion of a Performance Period, but no later than March 15 of such year. Participants must remain employed by the Company through the payment date to receive a cash bonus.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Assembly Biosciences, Inc. 2022 Corporate Bonus Plan.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Assembly Biosciences, Inc.

Date: February 4, 2022

By: /s/ Jason A. Okazaki
Jason A. Okazaki
Chief Operating Officer

ASSEMBLY BIOSCIENCES, INC.
2022 CORPORATE BONUS PLAN

Overview

The 2022 Corporate Bonus Plan (the “**Plan**”) of Assembly Biosciences, Inc. (the “**Company**”) is, upon approval by the Compensation Committee (the “**Committee**”) of the Board of Directors of the Company (the “**Board**”), effective as of January 1, 2021 (the “**Effective Date**”). The Plan is designed to motivate, retain, attract and reward Company employees through a combination of corporate and individual performance-based incentive compensation goals achieved between January 1 through December 31 each year (a “**Performance Period**”). Individuals employed by the Company during a Performance Period, who commence employment with the Company no later than October 31st of a Performance Period, and who are designated for participation by the Committee or the Chief Executive Officer of the Company (the “**CEO**”) and who remain employed by the Company through the Payment Date (as defined below) (each a “**Participant**”) shall be eligible to earn a cash bonus under the Plan. Any and all payments under this Plan will be subject to the business and financial condition of the Company. Any decisions made in good faith by the Committee or its delegate shall be final and binding on all Participants.

Administration

The Plan is administered by the Committee. The Committee shall have full power and authority to administer and interpret the Plan, including, without limitation, the power to: (a) prescribe, amend, and rescind rules and procedures relating to the Plan and to define terms not otherwise defined herein; (b) certify the level at which those Corporate Objectives (as defined below) approved by the Board are attained for an applicable Performance Period, including in excess of 100%; (c) determine which employees qualify as Participants (as herein defined) in the Plan and which Participants shall be paid cash bonuses under the Plan; (d) determine whether, to what extent, and under what circumstances cash bonuses awarded under the Plan may be forfeited or suspended; (e) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any cash bonus awarded under the Plan in the manner and to the extent that the Committee shall determine appropriate; (f) adjust or modify the calculation of a Corporate Objective or Individual Objective for a Performance Period so as to avoid unanticipated consequences or address unanticipated events; *provided* that while the Committee may equitably adjust the percentages allocated to any Corporate Objective, changes in the Corporate Objectives should be approved by the Board; (g) make all determinations necessary and advisable in administering the Plan; and (h) periodically review and amend the Plan. Section headings are provided for administrative convenience and shall not restrict the Committee’s interpretive authority.

The Committee hereby delegates to the CEO full power and authority to administer and interpret the Plan and any cash bonuses awarded under the Plan with respect to Non-Executive Participants (as defined below), and references to the “Committee” as used herein shall be deemed to include the CEO with respect to Non- Executive Participants. The Committee hereby delegates to and authorizes the head of Human Resources and his or her agents to determine the treatment (including any proration) of awards for Non-Executive Participants who take any leave of absence, join the Company on or before October 31st of a Performance Period, who change job grades or geographic work location or have a similar change in status during a Performance Period, to assist in the day-to-day administration of the Plan and to communicate the terms of the Plan and bonus awards to Participants. The determinations of the Committee and its delegates with respect to the Plan will be final, binding, and conclusive on all interested parties.

Plan Objectives

The Plan is designed to award a cash bonus (each a “**Cash Bonus**”) for performance during a Performance Period to Participants based on the level of achievement (1) by the Company of certain Company-wide objectives (the “**Corporate Objectives**”) and/or (2) by the Participant of certain individual performance objectives, which may

include certain department, group and/or team objectives applicable to such Participant (the “**Individual Objectives**” and, together with the Corporate Objectives, the “**Objectives**”).

The Company hopes that by providing competitive short-term incentive compensation, the Company will attract, motivate and increase the retention rate among its employees which, in turn, will enhance the Company’s long-term value.

Award Determination

(a) **Performance Goals and Objectives.** Payment of Cash Bonuses will be based on the attainment of the Corporate Objectives and/or Individual Objectives.

(b) **Weighting of Objectives for Non-Executive Participants and Executive Participants.** The weighting of Objectives used in calculating bonus awards for each Non-Executive Participant and each Executive Participant (as defined below) shall be determined using the weighting table provided below (the “**Weighting Table**”).

Title (or equivalent position at participating subsidiary)	Weighting of Corporate Objectives	Weighting of Individual Objectives
CEO	100%	0%
C-Level (other than CEO)	75%	25%
VP/SVP	50%	50%
Below VP	25%	75%

The CEO may amend the Weighting Table with respect to Non-Executive Participants from time to time, in his or her sole discretion, with or without advance notice to the affected Non-Executive Participants. The Committee may amend the Weighting Table from time to time, in its sole discretion, with or without advance notice to the affected Participants.

(c) **Award Determinations.** The actual Cash Bonus paid to a Participant can range from 0 to 1.5 times Participant’s Bonus Target (as defined below), based on achievement of Individual Objectives and/or Corporate Objectives. The Committee must determine that a Corporate Objective has an achievement percentage of at least 50% for such Corporate Objective component to be included in the Cash Bonus award determination. A Participant must receive an individual performance factor recommendation of at least 50% to be eligible for the Corporate Objective component of the Cash Bonus.

Determination of Plan Objectives

The Corporate Objective shall consist of financial and operational metrics established by the Board, which may include objectives from one or more of the following areas: discovery, clinical development, regulatory or commercial milestones; changes in the market price of the Company’s common stock; economic value-added; debt, equity or other forms of financing; acquisitions or strategic transactions; partnerships, collaborations, licensing transactions or similar business transactions; financial metrics; operating efficiency; and/or employee retention and recruiting or other human resources matters.

The Corporate Objectives shall be approved by the Board within ninety (90) days after the beginning of a Performance Period. Each Corporate Objective category shall be assigned an initial relative weighting from the Board, reflecting its importance to the achievement of the Company’s key results during a Performance Period; *provided, however*, the Board may adjust the weighting of the Corporate Objectives, modify the Corporate Objectives or add new Corporate Objectives based on unanticipated events in its sole discretion at any time; and *provided further, however*, that the Committee may also adjust the weighting of the Corporate Objectives if in

the reasonable determination of the Committee based upon unanticipated events, changes in the priorities of the Company or other equitable considerations the Committee determines such adjustments are reasonable and appropriate.

The Individual Objectives shall be set as follows:

- For the CEO, the Individual Objectives, if any, shall be set by the Board;
- For Participants who are executive officers (as that term is defined under Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 16a-1 thereunder), other than the CEO (collectively, the “**Executive Participants**”), the Individual Objectives shall be set by the Committee based upon recommendations made by the CEO; and
- For Participants other than the CEO and the Executive Participants (collectively, the “**Non-Executive Participants**”), the Individual Objectives shall be set by each Participant’s immediate supervisor, with input from team leaders, group and department heads and others, as appropriate.

Plan Bonus Targets

Under the Plan, each Participant is eligible to earn a Cash Bonus targeted at a specified percentage of his or her annual base salary that is earned a Performance Period (pro-rated for number of days employed), with such percentage based in part upon the position such Participant holds with the Company (the “**Bonus Target**”). Under the Plan, the Bonus Targets range from 75% of base salary for the CEO, 30% to 55% of a Participant’s base salary for the Executive Participants (other than CEO) and Non-Executive Participants at the Vice President level and above and up to 28% of a Participant’s base salary for other Non-Executive Participants below the Vice President level.

Determination of Cash Bonus Payments

The Company will determine the achievement of Corporate Objectives and Individual Objectives shortly after the end of a Performance Period, as follows:

Determination of Level of Achievement of Corporate Objectives

The Committee shall determine, after receiving and considering analysis and recommendations from management, the degree to which the Corporate Objectives have been met, expressed as a percentage of Corporate Objectives achieved, taking into consideration the weighting assigned to each Corporate Objective. The Committee has the right, in its sole discretion, to adjust the percentage of Corporate Objectives achieved upward beyond 100% in the event of over-achievement of the Corporate Objectives as determined by the Committee.

Determination of Level of Achievement of Individual Objectives

The Committee shall determine, after receiving and considering analysis and recommendations from the CEO, the degree to which the Individual Objectives have been met for the Executive Participants, expressed as a percentage of Individual Objectives achieved, taking into consideration the weighting assigned to each Individual Objective. For Non-Executive Participants, the degree to which the Individual Objectives have been achieved shall be determined by each Non-Executive Participant’s immediate supervisor, with input from team leaders, group and department heads and others, as appropriate.

Determination of Cash Bonus Payments for Individual Participants

The actual Cash Bonus earned by a Participant is based on: the Participant’s (1) level of achievement of the Corporate Objectives; (2) level of achievement by the Participant against his or her Individual Objectives, if

applicable; and (3) the Participant's Bonus Target. The Corporate Objectives and the Individual Objectives will be weighted as set forth above in the Weighting Table, subject to adjustment by the Committee or the CEO, as applicable, in their sole discretion. The determinations of the Committee and the CEO will be final and binding on all Participants. In making its determinations, the Committee or the CEO, as applicable, shall consider the following:

- For the CEO, the Committee's own evaluation of his achievements;
- For Executive Participants, the recommendations made by the CEO; and
- For Non-Executive Participants, the recommendations made by the CEO with input from team leaders, group and department heads and supervisors, as appropriate.

In determining the actual Cash Bonus earned, the Committee may also take into account the achievement of publicly announced targets, clinical milestones, strategic goals, cross-functional teamwork and collaboration, the business and financial condition of the Company, and unforeseen changes in the economy and/or geopolitical climate.

Timing of Cash Payments Under the Plan

Payment of Cash Bonuses under the Plan is expected to occur in the first quarter of the year following the conclusion of a Performance Period on such date as determined by the Committee in its sole discretion but no later than March 15 of such year (the "**Payment Date**"). A Participant must remain employed by the Company through the Payment Date in order to earn any Cash Bonus. If a Participant terminates employment or service with the Company for any reason prior to the Payment Date, then the Participant will forfeit his or her eligibility with respect to receiving any Cash Bonus. The Plan and any Cash Bonus granted under the Plan are intended to be exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended from time to time and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of Treasury of the Internal Revenue Service and will be interpreted and administered in accordance with that intent to the greatest extent possible.

Notwithstanding the foregoing, if the Committee determines, after receiving and considering analysis and recommendations from management, that one or more Corporate Objectives have been met by June 30th of a Performance Period, the Committee, in its sole discretion, may authorize the advance payment of a portion of the Cash Bonus attributable to such Corporate Objective (the "**Advanced Bonus Payment**"). The allocation of the Advanced Bonus Payment shall be distributed among all Participants in a manner substantially consistent with the process provided above. The final payout of the Cash Bonuses paid on the Payment Date shall take into account any Advanced Bonus Payment, unless the Board revises the Corporate Objectives to add new Corporate Objectives in lieu of the previously achieved Corporate Objectives for which Advance Bonus Payments have or will be made.

Miscellaneous Provisions

Participation in the Plan shall not alter in any way the at-will nature of the Company's employment of a Participant, and such employment may be terminated at any time for any reason, with or without cause and with or without prior notice. Nothing in this Plan shall be construed to be a guarantee that any Participant will receive all or part of a Cash Bonus or to imply a contract between the Company and any Participant.

This Plan supersedes and replaces all prior cash incentive and bonus plans of the Company, other than any applicable change of control payment plans and severance plans (for both Executive Participants and Non- Executive Participants). The Committee may amend or terminate this Plan at any time, with or without notice. The Committee may likewise terminate an individual's participation in the Plan at any time, with or without notice. Further, the Board may modify the Corporate Objectives and/or the weighting of the Corporate Objectives at any time and the Committee may modify the Individual Objectives, the Bonus Targets and/or the weighting of the

Corporate Objectives at any time.

Any Cash Bonuses paid hereunder shall be subject to any clawback policy adopted by the Company from time to time or as is otherwise required by applicable law, and, in accordance with any such clawback policy or applicable law, may be subject to the requirement that the Cash Bonus be repaid to the Company after it has been distributed to the Participant.

Unfunded Plan

Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Company and any Participant, beneficiary or legal representative or any other person. To the extent that a person acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

No Assignment

No Participant will have the right to alienate, assign, encumber, hypothecate or pledge his or her interest in any award under the Plan, voluntarily or involuntarily, and any attempt to so dispose of any such interest will be void. During the lifetime of any Participant, payment of a Cash Bonus under the Plan shall only be made to such Participant.

Applicable Law

To the extent not preempted by federal law, the Plan shall be construed in accordance with and governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction.