

**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 28, 2021**

Zymergen Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-40354
(Commission File Number)

46-2942439
(IRS Employer Identification No.)

5980 Horton Street, Suite 105
Emeryville CA 94608
(Address of Principal Executive Offices) (Zip Code)

(415) 801-8073
(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 (see General Instruction A.2. below):

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	ZY	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 2.02 Results of Operations and Financial Condition.

On August 3, 2021, Zymergen Inc. (“Zymergen” or the “Company”) issued a press release announcing the Company’s preliminary financial results for its quarter ended June 30, 2021. A copy of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and 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.

On August 2, 2021, Josh Hoffman separated from his position as Zymergen’s Chief Executive Officer and resigned as a member of the Board.

Jay Flatley, the current Chairperson of the Board, is assuming the role of Acting Chief Executive Officer, effective as of August 2, 2021, and will continue to serve as Chairperson of the Board. While serving as Chief Executive Officer, Mr. Flatley will no longer serve as a member of the Board’s Compensation and Nominating and Corporate Governance Committees. The Board also appointed Sandra Peterson, a current director, to serve as Lead Independent Director of the Board.

Mr. Flatley, 68, has served on the Board since January 2020 and has served as Chairperson since April 2021. From December 2013 through July 2016, Mr. Flatley served as the Chief Executive Officer of Illumina, Inc. (“Illumina”), a public company focused on sequencing and array-based solutions for genetic analysis, and from October 1999 through December 2013, he served as the President and Chief Executive Officer of Illumina. Prior to joining Illumina, Mr. Flatley was co-founder, President, Chief Executive Officer and a director of Molecular Dynamics, a life sciences company focused on genetic discovery and analysis, from 1994 until its sale to Amersham Pharmacia Biotech in 1998. Mr. Flatley also served on the board of directors of Illumina from 1999 through May 2021, as the Executive Chair of Illumina from July 2016 through January 2020 and as the Chairman of the Board of Illumina from January 2020 through May 2021. Mr. Flatley has also served on the board of directors of Denali Therapeutics Inc., a public biotechnology company, since 2015, and Coherent Inc., a publicly traded photonics manufacturing company, since 2011; he previously served on the board of directors of Juno Therapeutics, Inc., from 2017 to 2018. Mr. Flatley is an advisory board member for U.C. San Diego’s Moore Cancer Center and serves on the board of trustees of the Salk Institute for Biological Studies.

On July 28, 2021, the Compensation Committee of the Board approved the material terms of Mr. Flatley’s compensation arrangement as Acting Chief Executive Officer, which includes: (i) a base salary at the rate of \$1,000,000 per year, payable in accordance with the Company’s payroll practices; (ii) a one-time, sign-on long-term incentive stock option grant for 1,520,000 shares of the Company’s common stock, which will vest in substantially equal installments on each quarterly anniversary of his start date over the two-year period commencing on his start date so long as he continues to provide services to the Company as Acting Chief Executive Officer or as the Chairperson or Lead Independent Director of the Board; and (iii) reimbursement for all reasonable travel expenses associated with his travel to the San Francisco Bay Area in the performance of his duties, including business class airfare and housing and hotel accommodations. During his service as Acting Chief Executive Officer, Mr. Flatley will forego compensation for his service on the Board.

On August 2, 2021, Mr. Hoffman and the Company entered into an Employment Separation Letter Agreement, pursuant to which Mr. Hoffman is entitled to receive, in addition to any final wages or other compensation owed to him, the following benefits: (i) continuation of his salary for a twelve-month period immediately following the separation date (the “Severance Period”); (ii) payment of, or reimbursement for, the Company’s portion of the COBRA premium for Mr. Hoffman and his covered dependents through the earlier of the end of the Severance Period or the date he and his covered dependents become eligible for healthcare coverage under another employer’s plan; and (iii) all of the stock options held by Mr. Hoffman that are vested as of the separation date will remain exercisable until June 30, 2022 (collectively, the “Separation Benefits”). The Separation Benefits are conditioned upon Mr. Hoffman executing and not revoking a general release of claims in favor of the Company and his continued compliance with certain restrictive covenants. All unvested equity awards held by Mr. Hoffman will be forfeited as of the separation date.

On August 2, 2021, the Company issued a press release announcing these management changes, a copy of which is included as Exhibit 99.1 hereto.

Item 7.01 Regulation FD Disclosure

On August 3, 2021, the Company issued a press release announcing a business update. A copy of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

Exhibit Number	Description
<u>10.1</u>	<u>Letter Agreement with Jay Flatley*</u>
<u>10.2</u>	<u>Employment Separation Letter Agreement with Josh Hoffman*</u>
<u>99.1</u>	<u>Press Release dated August 3, 2021*</u>

*Furnished herewith.

SIGNATURES

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

Zymergen Inc.

Date: August 3, 2021

By: /s/ Mina Kim

Name: Mina Kim

Title: Chief Legal Officer



August 2, 2021
Jay Flatley

Dear Jay:

On behalf of the Board of Directors, it is my pleasure to offer you the position of Acting Chief Executive Officer ("Acting CEO") of Zymergen Inc. ("Zymergen" or the "Company"), effective as of August 2, 2021 (your "Start Date"). The time period for this role is anticipated to be up to when a permanent Chief Executive Officer commences employment with Zymergen.

The following outlines the terms associated with this offer:

1. As Acting CEO, you will have such responsibilities, duties, and authorities as are commensurate with the position of Acting CEO, or as are requested of you by the Board of Directors of the Company (the "Board").
2. During your service as Acting CEO, you will remain Chairman of the Board, but will now also be an employee of the Company. During your service as Acting CEO, you will forego compensation for your service on the Board, but your existing equity awards will continue to vest.
3. You agree that you hereby resign as a member of the Board's Compensation and Nominating and Corporate Governance Committees effective as of the Start Date but will continue your service as Chairman of the Board and on the other Board committees and subcommittees.
4. The Board understands that you will continue to engage in all businesses that you engage in as of the date of this offer, so long as such activities do not create an actual or reasonably foreseeable potential conflict of interest with, or materially interfere with the performance of, your duties hereunder.
5. You will receive a base salary at the rate of \$1,000,000 per year, payable in accordance with the customary payroll practices and procedures of the Company. You will not participate in the Company's cash incentive programs.
6. You will be entitled to receive, subject to approval of the Board, a one-time, sign-on long-term incentive grant of stock options for 1,520,000 shares of Common Stock, representing approximately one and a half percent (1.5%) of the outstanding shares of common stock of the Company as of June 30, 2021, which shall vest in substantially equal installments on each quarterly anniversary of the Start Date over the two-year period commencing on the Start Date. You will vest in the stock options so long as you continue to provide services to the Company in your capacity as Acting CEO or as the Chairman or Lead Independent Director of the Board. The options will be subject to the terms and conditions applicable to options granted under the Company's 2021 Incentive Award Plan, and the applicable stock option agreement to be entered into by you and the Company. Immediately prior to a Change in Control (as defined in the 2021 Incentive Award Plan), the vesting of the options will accelerate in full.

7. The Company will reimburse you for all reasonable travel expenses associated with your travel to the San Francisco Bay Area in the performance of your duties as Acting CEO, including business class airfare and housing and hotel accommodations. To the extent that any reimbursement of expenses or in-kind benefits constitutes “deferred compensation” under Section 409A of the Internal Revenue Code of 1986, as amended, such reimbursement or benefit shall be provided no later than December 31st of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.
8. You will be eligible to participate in a number of Company-sponsored health and welfare benefits.
9. This offer letter shall in all respects be governed by and construed in accordance with the laws of the State of California, not including the choice-of-law rules thereof. You and Zymergen consent to the exclusive and sole jurisdiction and venue of the state and federal courts located in California for the litigation of disputes not subject to arbitration and waive any claims of improper venue, lack of personal jurisdiction, or lack of subject matter jurisdiction as to any such disputes.
10. All payments provided for herein in your capacity as Acting CEO shall be reduced by any amounts required to be withheld from time to time under applicable federal, state or local income or employment tax law or similar statutes or other provisions of law then in effect.
11. You will be required, as a condition of your employment with the Company, to sign the Company’s standard Proprietary Information and Inventions Agreement (the “PIIA”), a copy of which is attached hereto as Exhibit A.
12. This offer letter supersedes all prior and contemporaneous oral or written, express or implied understandings or agreements regarding your employment with Zymergen (other than the PIIA), and contains the entire agreement between you and Zymergen regarding your employment with Zymergen. The terms set forth in this letter may not be modified, except in writing signed by an authorized representative of Zymergen, which expressly states the intention of Zymergen to modify the terms of this offer letter.

If the foregoing correctly sets forth your understanding of our offer, please indicate your acceptance by signing two copies of this letter and returning one copy to me.

We look forward to the significant contributions you will make as you join Zymergen.

Sincerely,

/s/ Sandra Peterson

Sandra Peterson
Compensation Committee Chair

ACCEPTANCE:

I have read this letter and agree with the terms and conditions of my employment as set forth above.

Dated: August 2, 2021

Signature: /s/ Jay Flatley

Jay Flatley



August 2, 2021

Josh Hoffman

Re: Employment Separation Letter Agreement

Dear Josh:

This letter agreement (this "Letter Agreement") confirms the termination of your employment with Zymergen Inc. (the "Company") and your resignation from all positions and offices with the Company and any of its affiliates, including from the board of directors of the Company, in each case, to take effect on August 2, 2021 (the "Separation Date").

In connection with your termination, the Company wishes to provide certain severance benefits to you, and you wish to receive such severance benefits, subject to the terms and conditions below.

This Letter Agreement shall become a binding agreement between you and the Company on the date you sign this Letter Agreement.

Therefore, for the receipt of good and adequate consideration, you and the Company agree as follows:

1. Final Pay; Business Expenses; Equity Grants.

(a) Upon the Separation Date, you will be paid all final wages accruing through the Separation Date as set forth on Exhibit A, in accordance with applicable law. You acknowledge and agree that the payments set forth on Exhibit A accurately and completely reflect all wages earned by you through the Separation Date, and that you are not entitled to any additional wages or benefits, including any salary, bonuses, commissions, benefits, or other compensation, in connection with your employment with or termination of employment from the Company, except as set forth in this Letter Agreement.

(b) As soon as possible and no later than September 15, 2021, you will submit for reimbursement in accordance with the Company's expense reimbursement policies and practices all unreimbursed business expenses, if any, incurred by you, and thereafter, the Company shall promptly pay you.

(c) You acknowledge and agree that as of the Separation Date, the unvested portion of any Company stock options or other equity awards held by you shall terminate immediately.

2. Consideration. With the receipt of the payments and benefits set forth in Section 1 above, you will have received all payments and benefits earned or owed to you in connection with your employment with the Company, and you shall not be entitled to any additional compensation or benefits, except as provided below, subject to the terms and conditions set forth in this Letter Agreement. You acknowledge that the compensation and benefits provided below are good and valid consideration for the release of claims and other covenants set forth below.

3. Severance Benefits. In addition to the payments set forth in Section 1, provided you timely execute and return the Release attached hereto as Exhibit B (the “Release”) and subject to your continued compliance with the provisions set forth in Section 6 and Section 9, the Company will pay to you severance in the form of salary continuation in installments at your base salary rate for the twelve-month period immediately following the Separation Date (the “Severance Period”), less applicable taxes, garnishments and any other withholding required by law or authorized by you, in accordance with the Company’s normal payroll practices, with the first installment to commence no later than the second regular payroll date following the date the Release becomes effective and irrevocable. The first installment shall be a “catch-up” payment equal to your base salary rate for the period of time following the Separation Date through the date such first installment is paid, and the balance of the severance shall be paid in regular installments payable in accordance with their original schedule through the expiration of the Severance Period.

4. COBRA. If you elect COBRA continuation coverage, the American Rescue Plan Act of 2021 requires that the Company pay the COBRA premiums that you incur during the period ending on the earlier of September 30, 2021 or the date your COBRA continuation coverage otherwise ends. In addition, the deadline to elect COBRA continuation coverage is extended to the earlier of (i) one year from the date your COBRA election would otherwise be due, or (ii) the end of the COVID-19 national emergency. Additional information about these special COBRA rules is included in your COBRA notice.

In addition, provided you timely execute and return and do not revoke the Release, and subject to your continued compliance with the provisions set forth in Section 6 and Section 9, the Company will directly pay, or reimburse you for, the Company’s portion of the COBRA premium (at the same rates in effect on the Separation Date) for you and your covered dependents following September 30, 2021 through the earlier of (A) the expiration of the Severance Period or (B) the date you and your covered dependents, if any, become eligible for healthcare coverage under another employer’s plan(s). Notwithstanding the foregoing, (x) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Internal Revenue Code of 1986, as amended, (the “Code”) under Treasury Regulation Section 1.409A-1(a)(5), or (y) the Company is otherwise unable to continue to cover you under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to you in substantially equal monthly installments. You shall notify the Company immediately if you become covered by a group health plan of a subsequent employer.

5. Stock Options. Provided you timely execute and return and do not revoke the Release, and subject to your continued compliance with the provisions set forth in Section 6 and Section 9, all of the stock options held by you that are vested as of the Separation Date, shall remain exercisable until June 30, 2022. Any unvested stock options or other equity awards held by you shall terminate immediately as of the Separation Date. You acknowledge that to the extent your vested stock options constitute “incentive stock options” within the meaning of Section 422 of the Code, they shall be deemed modified for the purposes of Section 424 of the Code and, to the extent the exercise price thereof is lower than the fair market value of the Company’s common stock as of the date of modification, such stock options shall no longer qualify as incentive stock options and you will lose the potentially favorable tax treatment associated with such stock options.

6. Restrictive Covenants. Both during and after your employment you acknowledge your continuing obligations under that certain At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement (the “PIIA Agreement”) entered into by and between you and the Company on April 13, 2021 not to use or disclose any confidential or proprietary information of the Company, to refrain from certain solicitation activities and to not disparage the Company, its affiliates or their respective directors or employees, in each case as detailed in the PIIA Agreement. A copy of your PIIA Agreement is attached hereto as Exhibit C. You acknowledge that all such covenants remain in full force and effect pursuant to their terms, and that your continuing compliance with such obligations is a material condition to the Company’s agreement to enter into this Letter Agreement. As of the Separation Date, you have executed and delivered to the Company the “Termination Certificate” attached as Appendix B to your PIIA Agreement. In the event that following your Separation Date, the Company determines that during your employment with the Company and its affiliates, you engaged in conduct that would have constituted “Cause” for termination (as defined under your Employment Agreement with the Company dated as of April 2021) or you breached your obligations under this Section 6 or 9 (including your obligations under the PIIA Agreement), the Company shall have no further obligations under Sections 3, 4 or 5 and you shall repay the Company any amounts previously paid by the Company pursuant to Sections 3 and 4 and will forfeit any stock options that remain outstanding pursuant to Section 5 and, to the extent permitted by applicable law, you shall pay the Company an amount equal to all proceeds received in connection with any sale or other disposition of any shares underlying your stock options.

Notwithstanding the foregoing, nothing herein shall restrict you from responding to a valid subpoena, nor shall you be prohibited from communicating with any government agency, including your right to communicate directly with the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or similar agency, or to cooperate with or participate in any investigation conducted by such agency or to make any other disclosures that are protected under the whistleblower provisions of applicable law. For the avoidance of doubt, you do not need to notify or obtain the prior authorization of the Company to exercise any of the foregoing rights. Further, you understand that: (i) you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret 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 will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret 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 trade secrets to your attorney and use the trade secret information in the court proceeding if you: (x) file any document containing the trade secret under seal; and (y) do not disclose the trade secret, except pursuant to court order.

7. Arbitration. Without limiting your right to file Claims (as defined in the Release) with governmental agencies, you and the Company agree and desire that all disputes between you and the Company relating to or arising out of your employment with the Company or this Letter Agreement, other than Claims which you have effectively released pursuant to the Release and Claims that cannot, as a matter of law, be required to arbitrate (collectively, “Covered Claims”), will, to the fullest extent permitted by law, be resolved by final and binding arbitration in the county where you primarily worked for the Company as of the Separation Date. The arbitration will be conducted by a single, neutral arbitrator in accordance with the applicable arbitration rules (“Rules”) of the Judicial Arbitration and Mediation Service (“JAMS”) in effect when the dispute is submitted to arbitration, which can be found at www.jamsadr.com, or other rules mutually agreed upon in writing by the Company and you. The arbitrator shall be appointed as mutually agreed upon by you and the Company or, if no agreement can be reached, by JAMS pursuant to its Rules. The Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. shall govern the interpretation and enforcement of this arbitration clause. The Company and you shall be entitled to more than minimal discovery and the arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based so as to ensure meaningful judicial review of the decision. The arbitrator shall apply the same substantive law, with the same statutes of limitation and the same remedies that would apply if the claims were brought in a court of law. The Company shall pay all costs unique to arbitration, including without limitation arbitration administrative fees, arbitrator compensation and expenses, and costs of any witnesses called by the arbitrator. Unless otherwise ordered by the arbitrator under applicable law, you and the Company shall each bear your or its own expenses, such as expert witness fees and attorneys’ fees and costs. Nothing herein shall prevent you or the Company from seeking a statutory award of reasonable attorneys’ fees and costs, if any. This Section 7 shall be governed by and enforceable pursuant to the Federal Arbitration Act. This Section 7 is intended to be the exclusive method for resolving any and all Claims by you or the Company against each other for payment of damages under this Letter Agreement or relating to your employment; provided, however, that neither this Letter Agreement nor the submission to arbitration shall limit your or the Company’s right to seek provisional relief, including without limitation injunctive relief, in any court of competent jurisdiction.

8. Waiver of Right to Jury Trial; Class Action Waiver. The Company and you understand and agree that this Letter Agreement constitutes a waiver of its and your right to a trial by court or jury of any Covered Claims. You understand and acknowledge that this Letter Agreement also constitutes a waiver of your right to bring any Covered Claim as part of or in connection with, or to participate with each person in or recover through, a class action lawsuit or claim. You and the Company agree that no Covered Claim shall be resolved by a court or jury trial, and no Covered Claim shall be brought as a class action.

9. Cooperation. You shall assist and cooperate with the Company and its affiliates, (i) concerning reasonable requests for information about the business of the Company or its affiliates or your involvement and participation therein; (ii) in connection with the defense, prosecution or investigation of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or its subsidiaries or affiliates, including any proceeding before any arbitral, administrative, judicial, legislative, or other body or agency, including testifying in any proceeding to the extent such claims, actions, investigations or proceedings relate to services performed or required to be performed by you, pertinent knowledge possessed by you, or any act or omission by you; and (iii) and in connection with any investigation or review by any federal, state or local regulatory, quasi- or self-regulatory or self-governing authority or organization (including, without limitation, the SEC and FINRA) as any such investigation or review relates to services performed or required to be performed by you, pertinent knowledge possessed by you, or any act or omission by you. Your full cooperation shall include, but not be limited to, being available to meet and speak with board members, officers or employees of the Company, its affiliates and/or their counsel at reasonable times and locations, executing accurate and truthful documents, appearing at the Company's request as a witness at depositions, trials or other proceedings without the necessity of a subpoena, and taking such other actions as may reasonably be requested by the Company and/or its counsel to effectuate the foregoing. In requesting such services, the Company will consider other commitments that you may have at the time of the request.

10. Employee's Representations. You represent and warrant that:

(a) You shall return by September 15, 2021 to the Company all Company property in your possession, including, without limitation, all Confidential Information, laptops (other than your company issued personal laptop), cell phones, portable devices, software, keys, access badges or IDs, credit cards, thumb drives, equipment, supplies, records, files, handbooks, guidelines, materials, documents, and all other property belonging to the Company, whether in physical or electronic form, and all copies thereof.

(b) You are not owed wages, salaries, commissions, bonuses, business expenses, benefits, or other compensation, other than as set forth in this Letter Agreement.

(c) During the course of your employment you did not sustain any injuries for which you might be entitled to compensation pursuant to worker's compensation law.

(d) You have not initiated any adversarial proceedings of any kind against any of the Company Parties, nor will you do so in the future, except as specifically allowed by this Letter Agreement.

(e) You have signed this Letter Agreement knowingly and voluntarily, without any duress.

(f) In signing this Letter Agreement, everything you are receiving is set forth herein, and you are not relying upon any agreements, promises or statements, verbal, written, or implied, that are not expressly set forth in this Letter Agreement.

11. Severability. The provisions of this Letter Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or the enforceability of any other provision. You represent that you have thoroughly read and considered all aspects of this Letter Agreement, that you understand all of its provisions, and that you are voluntarily entering into this Letter Agreement.

12. Governing Law. Except as expressly provided otherwise herein, this Letter Agreement will in all respects be interpreted, enforced and governed under the laws of the State of California, without regard to the conflicts of law rules thereof.

13. Integrated Agreement. This Letter Agreement, together with the PIIA Agreement, sets forth the entire agreement between you and Company and supersedes and replaces any and all prior oral or written agreements or understandings between you and Company.

14. Amendment of this Letter Agreement. This Letter Agreement may not be altered, amended, or modified except by a further written document signed by you and an authorized representative of Company.

15. Execution in Counterparts. This Letter Agreement may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile and electronic signatures shall have the same force and effectiveness as original signatures.

16. Section 409A.

(a) General. The intent of the parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, ("Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Notwithstanding any provision of this Agreement to the contrary, if the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company shall work in good faith with you to adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A, including, without limitation, actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A; however, this Section 16 shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company (A) have any liability for failing to do so, or (B) incur or indemnify you for any taxes, interest or other liabilities arising under or by operation of Section 409A.

(b) Six-Month Delay. Notwithstanding anything to the contrary in this Agreement, no compensation or benefits shall be paid to you during the six (6)-month period following your “separation from service” with the Company (within the meaning of Section 409A) if the Company determines that paying such amounts at the time or times indicated in this letter would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six (6)-month period (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of your death), the Company shall pay you a lump-sum amount equal to the cumulative amount that would have otherwise been payable to Employee during such period (without interest).

(c) Installments and Reimbursements. For purposes of Section 409A, your right to receive installment payments shall be treated as a right to receive a series of separate and distinct payments. To the extent that any reimbursement of expenses or in-kind benefits constitutes “deferred compensation” under Section 409A, such reimbursement or benefit shall be provided no later than December 31st of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

Signature Page Follows

To indicate your acknowledgment and agreement to the terms above, please date and sign the original of this Letter Agreement in the place indicated below.

Very truly yours,

ZYMERGEN INC.

/s/ Sandra Peterson

Sandra Peterson
Compensation Committee Chair

**Accepted and agreed to on
this 2nd day of August, 2021 by:**

/s/ Josh Hoffman

Josh Hoffman

Exhibit A

The final wages referenced in Section 1 shall include your unpaid base salary accruing through the Separation Date; and

Such final wages will be paid out in accordance with the applicable plan documents, if any, and the applicable wage payment laws and will be subject to applicable taxes, garnishments and any other withholding required by law or authorized by you.

Exhibit B

RELEASE OF CLAIMS

WHEREAS, Josh Hoffman (hereinafter "Executive") and Zymergen Inc. (hereinafter the "Company") (collectively, "the parties") are party to that certain Employment Separation Letter Agreement (the "Letter Agreement");

WHEREAS, Executive's employment with the Company terminated effective August 2, 2021 (the "Termination Date");

WHEREAS, on July 28, 2021 the Company presented this Release of Claims ("Release") to Executive for his consideration (the "Agreement Delivery Date"); and

WHEREAS, the parties have agreed to a separation package to ease Executive's transition from the Company's employment and to resolve any and all disputes between them.

IT IS HEREBY AGREED by and between Executive and the Company as follows:

1. If Executive executes and does not revoke this Release by the end of the Revocation Period (as defined in Section 7 below), then this Release shall become effective and the Company, for and in consideration of the undertakings of Executive set forth and referenced herein, and intending to be legally bound, agrees to provide Executive, the payments and benefits set forth in Section 3, 4 and 5 of the Letter Agreement, as applicable, subject to the terms and conditions set forth in the Letter Agreement (the "Severance Benefits").

2. Executive expressly acknowledges and agrees that he has 21 days to consider this Release. If Executive does not sign this Release within 21 days following the Termination Date, or revokes this Release before the end of the Revocation Period, then Executive will not receive the Severance Benefits.

3. Executive agree not to sue, or otherwise file any claim against, the Company or its parent companies, subsidiaries or affiliates, and any of their respective successors, assigns, directors, officers, managers, employees, attorneys, insurers, or agents (collectively, the "Company Parties") for any reason whatsoever based on anything that has occurred at any time up to and including the date hereof as follows:

4. On behalf of Executive and Executive's executors, administrators, heirs and assigns, Executive hereby releases and forever discharges the Company Parties, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against any of the Company Parties by reason of any matter, cause, or thing whatsoever from the beginning of time through and including the date hereof, including, without limiting the generality of the foregoing: any Claims arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever Executive's employment by the Company or the separation thereof, including without limitation any and all Claims arising under federal, state, or local laws relating to employment; any Claims of any kind that may be brought in any court or administrative agency; any Claims arising under the Age Discrimination in Employment Act, the Older Workers Benefits Protection Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act, the Civil Rights Act of 1866, Section 1981, 42 U.S.C. § 1981, the Family and Medical Leave Act of 1993, the Americans with Disabilities Act of 1990, the False Claims Act, the Employee Retirement Income Security Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Sarbanes-Oxley Act of 2002, the National Labor Relations Act of 1935, the Uniformed Services Employment and Reemployment Rights Act of 1994, Fair Credit Reporting Act, the California Consumer Credit Reporting Agencies Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California WARN Act, the California Labor Code, California Business & Professions Code Section 17200, the California Family Military Leave Law, and California Military and Veterans Code, each of the foregoing as may have been amended, and any other federal, state, or local statute, regulation, ordinance, constitution, or order concerning labor or employment, termination of labor or employment, wages and benefits, retaliation, leaves of absence, or any other term or condition of employment; Claims for breach of contract; Claims for unfair business practices; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

5. Notwithstanding the generality of the foregoing, Executive does not release any Claims that cannot be released as a matter of law including, without limitation, (i) Executive's right to file for California unemployment or disability insurance benefits; (ii) Executive's right to seek indemnity under California Labor Code Section 2802; (iii) Executive's right to file a charge of discrimination, harassment, interference with leave rights, failure to accommodate, or retaliation with the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing or similar local agency, or to cooperate with or participate in any investigation conducted by such agency, provided, however, that Executive hereby releases Executive's right to receive damages in any such proceeding brought by Executive or on Executive's behalf; (iv) Executive's right to communicate directly with the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or similar agency, or to cooperate with or participate in any investigation conducted by such agency; or (v) Executive's right to make any other disclosures that are protected under the whistleblower provisions of applicable law. For the avoidance of doubt, Executive does not need to notify or obtain the prior authorization of the Company to exercise any of the foregoing rights.

6. EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

7. Executive acknowledges that the general release of Claims set forth in Section 5 above includes a release of Claims under the Age Discrimination in Employment Act (the "ADEA Release"). In accordance with the Older Workers Benefit Protection Act, Executive acknowledges as follows:

(i) Executive has been advised to consult an attorney of Executive's choice before signing this Release and Executive either has so consulted with counsel or voluntarily decided not to consult with counsel;

(ii) Executive has been granted over twenty-one (21) days after Executive was presented with this Release to decide whether or not to sign it. Executive agrees that such period shall not be extended due to any material or immaterial changes to the Release;

(iii) Executive has carefully reviewed and considered and fully understand the terms set forth in this Release; and

(v) Executive has the right to revoke this Release within seven (7) calendar days of signing this Release. If Executive wishes to revoke this Release, Executive must deliver written notice stating Executive's intent to so revoke by emailing Mina Kim, Chief Legal Officer, on or before 5:00 p.m. on the seventh (7th) day after the date on which Executive signs this Release. In the event Executive's Release is so timely revoked, Executive shall not be entitled to any of the benefits set forth in the Letter Agreement, except as provided in Section 1 thereof.

This Release will in all respects be interpreted, enforced and governed under the laws of the State of California, without regard to the conflicts of law rules thereof.

EXECUTIVE

/s/ Josh Hoffman

Josh Hoffman

ZYMERGEN INC.

/s/ Sandra Peterson

Sandra Peterson

Compensation Committee Chair

Exhibit C

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

Zymergen Provides Business Update

Jay Flatley, Chairman of the Board, Appointed Acting CEO; Josh Hoffman to Step Down

Conference Call to be Held at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time Today

EMERYVILLE, Calif., August 3, 2021 -- Zymergen Inc. (“Zymergen” or the “Company”), today provided a business update regarding its commercial product pipeline and financial forecast.

Zymergen recently became aware of issues with its commercial product pipeline that will impact the Company’s delivery timeline and revenue projections. Accordingly, the Company no longer expects product revenue in 2021, and expects product revenue to be immaterial in 2022.

During the quarter, several key target customers encountered technical issues in implementing Hyaline into their manufacturing processes typical of new product and process development learnings. The Company has made significant progress towards addressing these challenges and believes there are no intrinsic technical issues with Hyaline. However, this issue has resulted in a delay in the Company’s commercial ramp. Zymergen is working to strengthen its commercial team to ensure the reliability and robustness of the sales pipeline qualification and forecast processes.

The Company is also evaluating emerging data on the total addressable market for foldable display applications, which indicate a smaller near-term market opportunity that is growing less rapidly than anticipated, as well as its impact on Zymergen’s sales forecast. The Company will conduct a full re-examination of Zymergen’s target markets confirming our past views or altering them if the data indicate a shift in market focus is appropriate.

“We are disappointed by these developments, and the Board and management team are focused on resolving the underlying issues to ensure Zymergen moves forward as a stronger company with a compelling operating plan,” said Jay Flatley, Acting CEO and Chairman of the Board. “The Board has formed dedicated committees, including a Strategic Oversight Committee, and is working with outside experts to conduct an in-depth review of the Company’s operational, financial, product, and commercialization efforts to facilitate the development of an updated strategic plan for Zymergen. The underlying promise of our business and technology is sound, and I am proud of the work our teams are doing across the organization. We are confident in Zymergen’s opportunities and prospects, although it will take longer to accomplish our goals than previously expected.”

CEO Transition

In connection with the business update, Zymergen also announced that Jay Flatley has been appointed Acting Chief Executive Officer, effective immediately. Flatley’s appointment follows the mutual decision by Zymergen and Josh Hoffman that Hoffman will step down as CEO and as a member of the Board, effective immediately. The Company’s Board of Directors will commence a search process to identify a permanent CEO. Sandi Peterson will serve as Zymergen’s Lead Independent Director while Flatley serves as Acting CEO.

Flatley is a seasoned executive, with a strong track record of driving operational excellence and bringing innovative technology and products at scale into the markets. Flatley served as CEO of Illumina, a cutting-edge company in the human health space, for 17 years, and as its Executive Chair, and later Chairman of the Board, until 2021.

“A key element to ensuring Zymergen is set-up for long-term success is having the right team in place, and the Board and Josh recognize that new leadership is required,” said Flatley. “The Board will take whatever time is needed to conduct a thorough search to identify a world-class leader for Zymergen. Until then, I am committed to working with our deep bench of talent to drive our company forward. On behalf of the Board and management team, I thank Josh for his work in advancing our mission and wish him the best in his future endeavors.”

Preliminary Q2 FY 2021 Results

For the quarter ended June 30, 2021, the Company currently estimates total revenue of \$5 million to \$6 million, all relating to R&D service agreements and collaboration revenue.

The Company currently estimates GAAP total cost and operating expenses of approximately \$100 million to \$105 million, including estimated stock-based compensation, depreciation and amortization and an increase in non-cash rent expense of approximately \$20 million, and non-GAAP total cost and operating expenses of approximately \$80 million to \$85 million.

As of June 30, 2021, the Company had cash and cash equivalents of approximately \$588 million, including restricted cash of approximately \$11 million.

In connection with today’s business update, Zymergen is developing a plan to reduce and align expenses with the change in the Company’s revenue expectations

The financial results presented in this press release are preliminary, estimated and unaudited. They are subject to the completion and finalization of Zymergen’s purchase accounting for the acquisition of Lodo and other financial and accounting closing procedures. They reflect management’s estimates based solely upon information available to management as of the date of this press release. Further information learned during that completion and finalization may alter the final results. In addition, the preliminary estimates should not be viewed as a substitute for full quarter financial statements prepared in accordance with GAAP. There is a possibility that Zymergen’s second quarter financial results could vary materially from these preliminary estimates. In addition to the completion of the financial closing procedures, factors that could cause actual results to differ from those described above are set forth below under “Cautionary Note Concerning Forward-Looking Statements.” Accordingly, you should not place undue reliance upon this preliminary information.

Additional information regarding the Company’s second quarter 2021 financial results will be available in the Company’s Form 10-Q, which will be filed with the U.S. Securities and Exchange Commission (the “SEC”).

Business Update Call

Zymergen will host a conference call to discuss the business update today at 5:00 PM Eastern Time. A webcast for this call can be accessed at <https://investors.zymergen.com/>. The webcast will be archived and available for replay for at least 90 days after the event.

About Jay Flatley

Mr. Flatley most recently served as CEO of Illumina, a cutting-edge company in the human health space, from 1999 until 2016. He then transitioned to the role of Executive Chair until January 2020, and served as Chairman of the Board from January 2020 to May 2021. During his tenure as CEO of Illumina, Mr. Flatley took the company from \$1.3 million in sales in 2000 to \$2.2 billion in 2015. Under his leadership, Illumina was named multiple times to each of the Deloitte & Touche Fast 50 and Fast 500 list, the Forbes 25 Fastest-Growing Tech Companies list, the Fortune 100 Fastest-Growing Companies list and was recognized by MIT Technology Review as the World's Smartest Company in 2014. Prior to joining Illumina, Mr. Flatley was co-founder, President, CEO and a director of Molecular Dynamics, a life sciences company focused on genetic discovery and analysis, from 1994 until its sale to Amersham Pharmacia Biotech in 1998. Mr. Flatley serves as Chairman of the Board of Zymergen, as a member of the Boards of Denali Therapeutics Inc and Coherent Inc., is an advisory board member for U.C. San Diego's Moore Cancer Center and serves on the Board of Trustees for The Salk Institute for Biological Studies. Mr. Flatley holds a BSc and MSc (Hons) from Stanford University, along with a BA from Claremont McKenna College.

About Zymergen

Zymergen is a biofacturing company using biology to reimagine the world. Zymergen partners with nature to design, develop and manufacture bio-based breakthrough products that deliver value to customers in a broad range of industries. A unique combination of biology, chemistry, software and automation enables the company to design and create new materials.

Cautionary Note Concerning Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements are based on the Company's beliefs and assumptions and on information currently available to it on the date of this press release. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements, including but not limited to statements regarding the opportunities and prospects for our company, including our business, technologies and products, the delivery timeline, revenue projections and market opportunity for Hyaline and other products in our pipeline, the development of our strategic and operating plans, our plan to reduce expenses and our preliminary financial results. We do not have revenue from product sales, and we may not be able to successfully commercialize Hyaline or our pipeline products. These and other risks are described more fully in the Company's filings with the SEC, including the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2021 and other documents the Company subsequently files with the SEC from time to time, including the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021. Except to the extent required by law, the Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

Investor Contact

Niraj Javeri
investors@zymergen.com

Media Contact

Mike Dulin
mdulin@zymergen.com
502-777-2029
