
**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): June 7, 2018

ZOSANO PHARMA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36570
(Commission
File Number)

45-4488360
(I.R.S. Employer
Identification No.)

34790 Ardentech Court
Fremont, CA 94555
(Address of principal executive offices) (Zip Code)

(510) 745-1200
Registrant's telephone number, including area code

Not applicable
(Former name or former address, if changed since last report.)

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

- Written communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 June 7, 2018, we entered into a new Employment Letter Agreement (the “Employment Agreement”) with our President and Chief Executive Officer, John Walker. Mr. Walker’s employment with the Company remains on an at-will basis. The terms of the Employment Agreement provide that Mr. Walker will be paid an annual base salary of \$500,000 and his bonus target will be equal to 50% of his base salary. The amount of any bonus paid to Mr. Walker will be determined by the Compensation Committee in its discretion based on his performance and the performance of the Company against certain goals to be established annually by the committee. Mr. Walker was also granted an option to purchase 100,000 shares of our Common Stock on May 17, 2018. He will continue to serve as a member and Chairman of the Company’s Board of Directors.

Pursuant to the terms of the Employment Agreement, if the Company terminates Mr. Walker other than for cause (as defined in the Employment Agreement) or if Mr. Walker terminates his employment for good reason (as defined in the Employment Agreement), he will be entitled to receive (i) continued salary for 12 months and COBRA benefits for 12 months, (ii) a bonus equal to the amount of the annual bonus awarded to him in respect of the year prior to termination, and (iii) the vesting schedule for any stock options outstanding on the date of termination will automatically accelerate so that 25% of the total option shares shall immediately vest and become exercisable upon such termination. If during the one-year period following a change in control (as defined in the Employment Agreement) of the Company, either we terminate Mr. Walker’s employment without cause or Mr. Walker resigns for good reason, he will be entitled to receive (i) continued salary for 24 months, (ii) a lump sum cash amount equal to 229.56% multiplied by the total cost of the projected premiums for group medical, dental and vision insurance for a period of twenty-four (24) months covering the period from and after the date of termination and (iii) a bonus equal to the amount of the annual bonus awarded to him in respect of the year prior to termination. In addition, the vesting schedule for any stock options or equity incentive awards outstanding on the date of his termination will automatically accelerate so that 100% of the then unvested option shares and other equity incentive awards shall immediately vest and become exercisable upon his termination.

The description of the Employment Agreement contained herein is qualified in its entirety by reference to the full text of the Employment Agreement, which is attached hereto as Exhibit 10.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	<u>Employment Letter Agreement, dated as of June 7, 2018 between Zosano Pharma Corporation and John Walker.</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.

ZOSANO PHARMA CORPORATION

Dated: June 12, 2018

By: /s/ John Walker

Name: John Walker

Title: President and Chief Executive Officer

June 7, 2018

John Walker

Re: Employment Agreement

Dear John:

This letter will confirm the terms and conditions of your continued employment with Zosano Pharma Corporation, a Delaware corporation (the "**Company**"). This letter amends, restates, supersedes and replaces that certain Employment Letter Agreement dated as of August 9, 2017 by and between the Company (individually and as successor in interest to ZP Opco, Inc.) and you.

1. **Position and Duties.** Effective May 17, 2018 (the "**Effective Date**"), you will continue to be the President and Chief Executive Officer of the Company. You will report to the Board of Directors of the Company (the "**Board**"). You agree to perform the duties of your positions and such other duties as may reasonably be assigned to you from time to time by the Board. You also agree that, except as provided below, you will devote 100% of your business time, and your best efforts, business judgment, skill and knowledge to the advancement of the business and interests of the Company and its Affiliates (as defined in Section 6) and to the discharge of your duties and responsibilities for them. Except to the extent the restrictions contained in Section 3 may apply, nothing in this Agreement shall prohibit you from (a) serving on the Board of Directors of each of Vizuri Health Sciences LLC, the Lucile Packard Children's Hospital Stanford and Packard Children's Health Alliance and serving on the Board of Trustees at The University of Puget Sound, (b) making and managing passive investments, and/or (c) engaging in religious, academic, charitable, political or other community or non-profit activities, in each case, in a manner, and to an extent, that will not materially interfere with your duties to the Company.

2. **Compensation and Benefits.** During your employment, as compensation for the services performed by you for the Company and its Affiliates, the Company will provide you the following pay and benefits:

(a) **Base Salary.** Effective on the Effective Date, the Company will pay you a base salary at the rate of \$500,000 per year, payable in accordance with the regular payroll practices of the Company and subject to increase from time to time by the Compensation Committee of the Board (the "**Compensation Committee**") in its discretion.

(b) **Bonus Compensation.** During employment, you will be considered annually for a bonus. Your bonus target for each year is an amount equal to 50% of your base salary as of the end of such year. The amount of any bonus awarded will be determined by the Compensation Committee in its discretion, and will be based on your performance and the performance of the Company against goals established annually by the Compensation Committee. Any such bonus will be paid to you in a lump sum prior to March 15 of the year following the year in which your right to the bonus became vested.

(c) **Stock Options.**

(i) On May 17, 2018, the Compensation Committee granted you an incentive stock option to purchase 100,000 shares (the "**Option**") of common stock, \$0.0001 par value per share, of the Company ("**Common Stock**").

(ii) The Option (A) has an exercise price per share equal to the closing price per share of Common Stock on the date of the grant, and (B) is subject to vesting requirements such that 1/48th of the total Option shares shall vest on the same day of each month following the date of grant with all Option shares being vested on the fourth anniversary of the date of grant.

(iii) Notwithstanding any other provision of the Option or any other stock option or equity incentive award that is granted to you by the Company in the future (the "**Outstanding Options**"): (A) an amount equal to 25% of the Total Option Shares (as defined below) shall vest upon termination of employment pursuant to the last sentence of Section 4(a) or the first sentence of Section 4(b); and (B) an amount equal to 100% of the Total Option Shares (as defined below) shall vest upon a Constructive Termination Event (as defined in Section 5(b)). For purposes of this Section 2(c)(iii), the term "**Total Option Shares**" shall mean, as of any given day, the total amount of shares purchasable by, or issuable to, you pursuant to any then Outstanding Option, without regard to the number of shares that are vested at such time pursuant to the terms of such Outstanding Options.

(iv) In the event that your employment hereunder is terminated and you continue to serve as a member of the Board, the Outstanding Options shall continue to vest so long as you continue to serve as a member of the Company's Board.

(d) **Participation in Employee Benefit Plans.** You shall be entitled to participate in any and all employee benefit plans from time to time in effect for the full-time employees of the Company generally, but the Company shall not be required to establish any such program or plan. Such participation shall be subject to (i) the terms of the applicable plan documents and (ii) generally applicable Company policies. The Company may alter, modify, add to or delete its employee benefit plans at any time as it, in its sole discretion, determines to be appropriate.

(e) **Vacations.** You will be entitled to three weeks of paid vacation per year, in addition to holidays observed by the Company. Vacation may be taken at such times and intervals as you shall determine, subject to the reasonable business needs of the Company.

(f) **Business Expenses.** The Company will pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as it may specify from time to time.

3. Confidential Information and Restricted Activities.

(a) **Confidential Information.** During the course of your employment with the Company, you will learn of Confidential Information (as defined in Section 6), and you may develop Confidential Information on behalf of the Company. You agree that you will not use or disclose to any Person (as defined in Section 6) any Confidential Information obtained by you incident to your employment or any other association with the Company or any of its Affiliates, except as required by applicable law or for the proper performance of your regular duties and responsibilities for the Company. You understand that this restriction shall continue to apply for three (3) years after your employment terminates, regardless of the reason for such termination. In addition, you agree to sign the Company's standard form of invention assignment agreement as a condition of your employment hereunder.

(b) **Protection of Documents.** All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof (the "**Documents**"), whether or not prepared by you, shall be the sole and exclusive property of the Company. You agree to safeguard all Documents and to surrender to the Company, at the time your employment terminates or at such earlier time or times as the Board may specify, all Documents then in your possession or control.

(c) **Non-Solicitation.** You acknowledge that in your employment with the Company you will have access to Confidential Information which, if disclosed, would assist in competition against the Company and its Affiliates, and that you will also generate good will for the Company and its Affiliates in the course of your employment. Therefore, you agree that the following restrictions on your activities during and after the termination of your employment are necessary to protect the good will, Confidential Information and other legitimate interests of the Company and its Affiliates: While you are employed by the Company and during the 12 months immediately following termination of your employment for whatever reason, you shall not, directly or through any other Person, (A) seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (B) solicit or encourage any customer, distributor, vendor, or other business partner of the Company or any of its Affiliates or any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them. For purposes of the foregoing, the terms "**employee**," "**customer**," "**distributor**," and "**vendor**" shall also include any person or party who held such status during the immediately preceding six (6) months.

(d) **Enforcement of Restrictions.** In signing this letter agreement, you give the Company assurance that you have carefully read and considered all the terms and conditions of this letter agreement, including the restraints imposed on you under this Section 3. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, were you to breach any of the covenants contained in this Section 3, the damage to the Company and its Affiliates would be irreparable. You therefore agree that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of those covenants, without having to post bond. You also agree that the period of restriction in Section 3(c) shall be tolled and shall not run during any period you are in violation thereof. You and the Company further agree that, in the event that any provision of this Section 3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company's Affiliates shall have the right to enforce all of your obligations to that Affiliate under this letter agreement, including without limitation pursuant to this Section 3. It is agreed and understood that the terms of this letter agreement are severable, and that no breach of any provision of this letter agreement or any other purported violation of law by the Company shall operate to excuse you from the performance of your obligations under this Section 3.

4. **Termination of Employment.** Your employment under this letter agreement shall continue for no definite term until terminated pursuant to this Section 4.

(a) The Company may terminate your employment for Cause upon written notice to you setting forth in reasonable detail the nature of the Cause (as defined below). The following, as determined by the Company in its reasonable judgment, shall constitute "**Cause**" for termination: (i) your persistent and willful refusal to follow reasonable directives of the Board; (ii) gross negligence or willful misconduct in the performance of your duties and responsibilities to the Company or any of its Affiliates; (iii) your material breach of this letter agreement or any other agreement between you and the Company or any of its Affiliates, which breach continues for more than 15 days after the Company gives you written notice which sets forth in reasonable detail the nature of such breach; (iv) other conduct by you that is or could reasonably be anticipated to be materially harmful to the business, interests or reputation of the Company or any of its Affiliates; or (v) your failure to promptly and voluntarily resign as an employee, the President and the Chief Executive Officer of the Company if the Company asks you to do so after the Succession Date (as defined below) in connection with the election of another individual to be the President and Chief Executive Officer and the Company takes no action at such time to remove you from the office of Chairman of the Board. The Company also may terminate your employment other than for Cause upon written notice to you. "**Succession Date**" means the earlier to occur of (i) the date that the U.S. Food and Drug Administration approves the Company's new drug application for M207 and (ii) December 31, 2019.

(b) You may terminate your employment for Good Reason (as defined below) upon written notice to the Company setting forth in reasonable detail the nature of the Good Reason. The following shall constitute "**Good Reason**" for termination: (i) the Company's failure to continue you in the position of President and Chief Executive Officer of the Company with such duties typically associated with such position unless such failure occurs in connection with the election of another individual to be the President and Chief Executive Officer of the Company after the Succession Date and the Company takes no action at such time to remove you from the office of Chairman of the Board; (ii) failure of the Company to provide you compensation and benefits in accordance with the terms of Section 2, above, for more than ten (10) business days after notice from you specifying in reasonable detail the nature of such failure, except in connection with a decrease in salary affecting each senior management employee of the Company in a proportionate manner; (iii) relocation of your principal place of employment to a location more than fifty (50) miles from the Company's current headquarters in Fremont, California; or (iv) the failure of the Company's successor to assume the Company's obligations under this Agreement upon a Change in Control. You may also terminate your employment other than for Good Reason upon 30 days' written notice to the Company.

(c) In the event you become disabled during employment and, as a result, are unable to continue to perform substantially all of your duties and responsibilities under this letter agreement, either with or without reasonable accommodation, the Company will continue to pay you your base salary and to provide you benefits in accordance with Section 2(d) above, to the extent permitted by plan terms, for up to twelve (12) weeks of disability during any period of three hundred and sixty-five (365) consecutive calendar days. If you are unable to return to work after twelve (12) weeks of disability, the Company may terminate your employment, upon notice to you. If any question shall arise as to whether you are disabled to the extent that you are unable to perform substantially all of your duties and responsibilities for the Company and its Affiliates, you shall, at the Company's request, submit to a medical examination by a physician selected by the Company to whom you or your guardian, if any, has no reasonable objection to determine whether you are so disabled, and such determination shall for the purposes of this letter agreement be conclusive of the issue. If such a question arises and you fail to submit to the requested medical examination, the Company's determination of the issue shall be binding on you.

5. Severance Payments and Other Matters Related to Termination.

(a) **Involuntary Termination.** In the event of termination of your employment by the Company other than for Cause, or in the event of your termination of employment for Good Reason in either case outside the Change in Control period stated in Section 5(b), the Company will (i) continue to pay you your base salary in effect at the time of such termination (disregarding any decrease that forms the basis of a resignation for Good Reason pursuant to Section 4(b)(ii)) for a period of twelve (12) months from and after the date of termination, (ii) an amount equal to the annual bonus awarded to you in respect of the prior calendar year, such bonus severance to be paid in equal installments during the twelve (12) month period following the date of termination, and (iii) continue to provide you with group medical, dental and vision insurance for a period of twelve (12) months from and after the date of your termination. The Company will also pay you on the date of termination any base

salary, bonus and other wages earned but not paid through the date of termination, and pay for any vacation time accrued but not used to that date. In addition, as provided in Section 2(c), the vesting schedule for any stock options and other equity incentive awards outstanding on the date of termination will automatically accelerate so that 25% of any then unvested option shares and other equity incentive awards shall immediately vest and become exercisable upon such termination. Except as set forth in clauses (ii) and (iii) of the first sentence of this Section 5(a), benefits shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment.

(b) **Involuntary Termination within One Year after Change in Control.** In the event of termination of your employment by the Company (or its successor) other than for Cause, or in the event of your termination of employment for Good Reason, in either case during the one (1)-year period following a Change in Control (a "**Constructive Termination Event**"), the Company (or its successor) will, in lieu of any severance under Section 5(a) above, pay you, upon receiving the signed Employee Release pursuant to Section 5(c): (i) a lump sum severance payment equal to twenty-four (24) months of your base salary in effect at the time of such termination (disregarding any decrease that forms the basis of a resignation for Good Reason pursuant to Section 4(b) (ii)), (ii) an amount equal to the annual bonus awarded to you in respect of the prior calendar year, and (iii) a lump sum cash amount equal to 229.56% multiplied by the total cost of the projected premiums for group medical, dental and vision insurance for a period of twenty-four (24) months covering the period from and after the date of your termination. The Company (or its successor) will also pay you on the date of termination any base salary, bonus and other wages earned but not paid through the date of termination, and pay for any vacation time accrued but not used to that date. In addition, as provided in Section 2(c), the vesting schedule for any stock options and other equity incentive awards outstanding on the date of termination will automatically accelerate so that 100% of any then unvested option shares and other equity incentive awards shall immediately vest and become exercisable upon such termination. Except as set forth in clauses (ii) and (iii) of the first sentence of this Section 5(b), benefits shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment.

(c) **Severance Conditional Upon Release.** Any obligation of the Company to provide you severance payments under Sections 5(a) and 5(b) above shall be conditioned upon your signing a general release of claims in the form provided by the Company and reasonably acceptable to you (the "**Employee Release**") within twenty-one (21) days after the date on which you receive such Employee Release and upon your not revoking the Employee Release thereafter. Except as set forth in Section 5(b) regarding lump sum payments, all base salary and bonus severance payments will be payable in accordance with the normal payroll practices of the Company and will begin at the Company's (or its successor's) next regular payroll period following the effective date of the Employee Release, but shall be retroactive to the date of termination. For the avoidance of doubt, no cash compensation that may be earned by you pursuant to employment or a consulting arrangement with a Person other than the Company during the period of time that the Company (or its successor) is making payments to you pursuant to this Section 5 shall be credited toward the Company's severance

obligations under this Section 5. Notwithstanding anything to the contrary contained in this letter agreement, in the event that at the time of your separation from service you are a "specified employee," as hereinafter defined, any and all amounts payable under this Section 5 in connection with such separation from service that constitute deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"), as determined by the Company in its sole discretion, and that would (but for this sentence) be payable within six (6) months following such separation from service, shall instead be paid on the date that follows the date of such separation from service by six (6) months. For purposes of the preceding sentence, "**separation from service**" shall be determined in a manner consistent with subsection (a)(2)(A)(i) of Section 409A and the term "**specified employee**" shall mean an individual determined by the Company to be a specified employee as defined in subsection (a)(2)(B)(i) of Section 409A.

(d) **Termination for Cause or Voluntary Termination.** In the event of termination of your employment by the Company for Cause or your termination other than for Good Reason, the Company will pay you any base salary and other wages earned but not paid through the date of termination and pay for any vacation time accrued but not used to that date. The Company shall have no obligation to pay you any bonus compensation or severance payments. Except for any right you may have under the federal law known as "COBRA" to continue participation in the Company's group health and dental plans at your cost, benefits shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment.

(e) **Survival of Certain Provisions.** Provisions of this letter agreement shall survive any termination if so provided in this letter agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation your obligations under Section 3 of this letter agreement. The obligation of the Company (or its successor) to make severance payments to you under Section 5(a) or 5(b) above, and your right to retain such payments, are expressly conditioned upon your continued full performance of your obligations under Section 3 hereof. Upon termination by either you or the Company, all rights, duties and obligations of you and the Company to each other shall cease, except as otherwise expressly provided in this letter agreement.

6. **Definitions.** For purposes of this letter agreement, the following definitions apply:

"**Affiliates**" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

"**Confidential Information**" means any and all information of the Company and its Affiliates that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its Affiliates from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through your breach of your obligations under this letter agreement.

“Change in Control” means (A) the sale, lease, exchange, transfer or other disposition of all or substantially all of the assets of the Company or its Affiliates, or (B) any merger, consolidation, acquisition of the Company, or other business combination or stock sale (other than a sale of stock for capital raising purposes) that results in the holders of the outstanding voting securities of the Company immediately prior to such transaction beneficially owning or controlling immediately after such transaction less than a majority of the voting securities of the Company or the surviving entity or the entity that controls such surviving entity.

“Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its Affiliates.

7. **Conflicting Agreements.** You hereby represent and warrant that your signing of this letter agreement and the performance of your obligations under it will not breach or be in conflict with any other agreement to which you are a party or are bound, and that you are not now subject to any covenants against competition or similar covenants or any court orders that could affect the performance of your obligations under this letter agreement. You agree that you will not disclose to or use on behalf of the Company any proprietary information of a third party without that party’s consent.

8. **Withholding.** All payments made by the Company under this letter agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

9. **Assignment.** Neither you nor the Company may make any assignment of this letter agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other parties; *provided, however*, that the Company may assign its rights and obligations under this letter agreement without your consent to one of its Affiliates or to any Person with whom it shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This letter agreement shall inure to the benefit of and be binding upon you, the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

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

11. **Miscellaneous.** This letter agreement sets forth the entire agreement between you and the Company and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment with the Company. This letter agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and the Company. The headings and captions in this letter agreement are for convenience only and in no way define or describe the scope or content of any provision of this letter agreement. The words “*include*,” “*includes*” and “*including*” when used herein shall be deemed in each case to be followed by the words “without limitation.” This letter agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a California contract and shall be governed and construed in accordance with the laws of the State of California, without regard to the conflict of laws principles thereof. Nothing in this letter agreement or any other Company agreement, policy, practice, procedure, directive or instruction limits your ability to (a) file a charge or complaint with any governmental agency, governmental commission or other governmental authority (“**Governmental Authority**”), (b) report possible violations of law or regulation to any Governmental Authority, (c) make other disclosures that are protected under the whistleblower provisions of applicable law or regulation, or (d) receive a whistleblower or other award from a Governmental Authority for information provided to a Governmental Authority. You do not need permission from anyone at the Company or the Company’s legal counsel in order to take any of the actions described in the preceding sentence, and you do not have to notify the Company that you have taken or intend to take any of these actions. In addition, nothing in this Agreement is intended to interfere with or restrain the immunity provided under 18 U.S.C. section 1833(b) for confidential disclosures of trade secrets (x) to lawyers or government officials solely for the purpose of reporting or investigating a suspected violation of law or (y) in a sealed filing in court or another legal proceeding.

12. **Notices.** Any notices provided for in this letter agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, and addressed to you at your last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, or to such other address as either party may specify by notice to the other actually received.

13. **No Non-Employee Director Compensation.** You acknowledge and agree that you remain ineligible to receive non-employee director compensation for your service as a member of the Board or as Chairman of the Board.

* * * * *

John Walker
June 7, 2018
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At the time this letter agreement is signed by you and on behalf of the Company, it will take effect as a binding agreement between you and the Company on the basis set forth above.

ZOSANO PHARMA CORPORATION

EMPLOYEE:

By: /s/ Kleanthis Xanthopoulos
Name: Kleanthis Xanthopoulos
Title: Director

/s/ John Walker
John Walker

Date signed: June 7, 2018