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

SCHEDULE TO

TENDER OFFER STATEMENT UNDER SECTION 14(D)(1) OR 13(E)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

TERNS PHARMACEUTICALS, INC.
(Name of Subject Company (Issuer))

THAILAND MERGER SUB, INC.
(Offeror)
A Wholly Owned Subsidiary of

MERCK SHARP & DOHME LLC
(Parent of Offeror)
A Wholly Owned Subsidiary of

MERCK & CO., INC.
(Parent of Offeror)
(Names of Filing Persons (identifying status as offeror, issuer or other person))

Common Stock, par value $0.0001 per share
(Title of Class of Securities)

880881107
(CUSIP Number of Class of Securities)

Kelly E.W. Grez
Corporate Secretary, Merck & Co., Inc.
126 East Lincoln Avenue Rahway, NJ 07065
(908) 740-4000
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

Catherine J. Dargan
Andrew Fischer
Alicia Zhang
Covington & Burling LLP
850 Tenth Street, NW
Washington, D.C. 20001
(202) 662-6000

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

☑ Third-party offer subject to Rule 14d-1.
☐ Issuer tender offer subject to Rule 13e-4.
☐ Going-private transaction subject to Rule 13e-3.
☐ Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
☐ Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

Items 1 through 9 and Item 11.

This Tender Offer Statement on Schedule TO (together with any amendments or supplements hereto, this "**Schedule TO**") relates to the offer by Thailand Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company, to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**") of Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), for $53.00 per Share, net to the seller in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 7, 2026 (as it may be amended or supplemented from time to time, the "**Offer to Purchase**"), and the related Letter of Transmittal (as it may be amended or supplemented from time to time, the "**Letter of Transmittal**" and, together with the Offer to Purchase, the "**Offer**"), copies of which are attached hereto as Exhibits (a)(1)(i) and (a)(1)(ii), respectively. The Offer to Purchase and the Letter of Transmittal are being mailed to stockholders of Terns together with the Schedule 14D-9 filed with the Securities and Exchange Commission (the "**SEC**") on April 7, 2026 by Terns.

The information set forth in the Offer to Purchase, including all schedules thereto, is hereby expressly incorporated herein by reference in response to all of the items of this Schedule TO, except as otherwise set forth below.

Item 10. Financial Statements.

Not applicable.

Item 12. Exhibits.

Exhibit No.	Description
(a)(1)(i)*	Offer to Purchase, dated April 7, 2026.
(a)(1)(ii)*	Form of Letter of Transmittal (including IRS Form W-9).
(a)(1)(iii)*	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(1)(iv)*	Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(1)(v)*	Summary Advertisement, as published in the *New York Times* on April 7, 2026.
(a)(5)(i)	Joint press release issued by Merck & Co., Inc. and Terns Pharmaceuticals, Inc., dated March 25, 2026 (incorporated by reference to Exhibit 99.1 of the first Merck Sharp & Dohme LLC Pre-Commencement Communication on Schedule TO filed with the SEC on March 25, 2026).
(a)(5)(ii)	Investor presentation of Merck & Co., Inc., dated March 25, 2026 (incorporated by reference to Exhibit 99.1 of the second Merck Sharp & Dohme LLC Pre-Commencement Communication on Schedule TO filed with the SEC on March 25, 2026).
(a)(5)(iii)	Transcript of investor call of Merck & Co., Inc., dated March 25, 2026 (incorporated by reference to Exhibit 99.1 of the Merck Sharp & Dohme LLC Pre-Commencement Communication on Schedule TO filed with the SEC on March 26, 2026).
(b)(1)*	364-Day Delayed Draw Term Loan Credit Agreement, dated as of April 1, 2026, by and among Merck & Co., Inc., the lenders party thereto, and Citibank, N.A.
(c)	Not applicable.
(d)(1)**	Agreement and Plan of Merger, dated as of March 24, 2026, by and among Terns Pharmaceuticals, Inc., Merck Sharp & Dohme LLC and Thailand Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Terns Pharmaceuticals, Inc. Current Report on Form 8-K filed with the SEC on March 25, 2026).
(d)(2)*	Mutual Confidential Disclosure Agreement, dated September 28, 2023, by and between Merck Sharp & Dohme LLC and Terns Pharmaceuticals, Inc.

(d)(3)*	Amendment No. 1 to the Mutual Confidential Disclosure Agreement by and between Merck Sharp & Dohme LLC and Terns Pharmaceuticals Inc., dated July 28, 2025.
(d)(4)*	Amendment No. 2 to the Mutual Confidential Disclosure Agreement by and between Merck Sharp & Dohme LLC and Terns Pharmaceuticals Inc., dated December 22, 2025.
(d)(5)*	Amendment No. 3 to the Mutual Confidential Disclosure Agreement by and between Merck Sharp & Dohme LLC and Terns Pharmaceuticals Inc., effective as of February 6, 2026.
(g)	Not applicable.
(h)	Not applicable.
107*	Filing Fee Table.

* Filed herewith

** Certain schedules have been omitted pursuant to Instruction 1 to Item 1016 of Regulation M-A. The filing persons agree to furnish supplementally a copy of any omitted schedule upon request by the SEC.

SIGNATURES

After due inquiry and to the best knowledge and belief of the undersigned, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: April 7, 2026

THAILAND MERGER SUB, INC.

By: /s/ Kelly E. W. Grez
Name: Kelly E. W. Grez
Title: Secretary

MERCK & CO., INC.

By: /s/ Mark Walker
Name: Mark Walker
Title: Assistant Treasurer

MERCK SHARP & DOHME LLC

By: /s/ Sunil A. Patel
Name: Sunil A. Patel
Title: Senior Vice President, Head of Business Development

Offer to Purchase for Cash
All Outstanding Shares of Common Stock
of

TERNS PHARMACEUTICALS, INC.

at
$53.00 Net Per Share of Common Stock
by

THAILAND MERGER SUB, INC.

a wholly owned subsidiary of

MERCK SHARP & DOHME LLC

a wholly owned subsidiary of

MERCK & CO., INC.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE ONE MINUTE FOLLOWING 11:59 P.M., EASTERN TIME, ON MAY 4, 2026, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

This offer is being made pursuant to the Agreement and Plan of Merger, dated as of March 24, 2026 (together with any amendments or supplements thereto, the "**Merger Agreement**"), among Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), Merck Sharp & Dohme LLC, a New Jersey limited liability company ("**Parent**"), and Thailand Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("**Purchaser**"). Purchaser is offering to acquire all of the outstanding shares of common stock, par value $0.0001 per share, of Terns (the "**Shares**") for $53.00 per Share, net to the seller in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal (which, together with any amendments or supplements from time to time hereto and thereto, collectively constitute the "**Offer**"). Under no circumstances will we pay interest on the consideration paid for shares pursuant to the Offer, regardless of any extension of the Offer or any delay in making such payment. The Merger Agreement provides, among other things, that Purchaser will be merged with and into Terns (the "**Merger**" and together with the Offer and the other transactions contemplated by the Merger Agreement, the "**Transactions**") without a vote of the stockholders of Terns in accordance with Section 251(h) of the Delaware General Corporation Law (the "**DGCL**"), as soon as practicable (but in no event later than the first business day) following the acceptance for payment of the Shares validly tendered and not validly withdrawn (the "**Offer Acceptance Time**"), except if the conditions set forth in the Merger Agreement are not satisfied or waived as of such date, in which case the Merger shall occur on the first business day following the Offer Acceptance Time on which the conditions set forth in the Merger Agreement are satisfied or waived (other than those conditions that by their nature are to be satisfied at the time of the Merger, but subject to the satisfaction or waiver of such conditions), unless Parent and Terns agree to another date prior to the Offer Acceptance Time.

The board of directors of Terns, at a meeting duly called and held, has unanimously (i) determined that it is fair to and in the best interests of Terns and its stockholders for Terns to enter into the Merger Agreement and any related agreements contemplated thereby ("**Related Agreements**"), to perform its obligations thereunder and to consummate the Transactions, including the Offer and the Merger, (ii) declared the Merger Agreement and the Transactions, including the Offer and the Merger, advisable, (iii) authorized and approved the execution, delivery and performance by Terns of the Merger Agreement and any Related Agreements and the consummation of the Transactions, including the Offer and the Merger, (iv) resolved that the Merger be effected under Section 251(h) of the DGCL as soon as practicable following the consummation (as defined in Section 251(h) of the DGCL) of the Offer and (v) recommended that the stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case upon the terms and subject to the conditions set forth in the Merger Agreement.

The Offer is not conditioned on obtaining financing or the funding thereof. However, the Offer is subject to various other conditions, including, among other things, there having been validly tendered (and not validly withdrawn) Shares that, considered together with all other Shares (if any) owned by Parent and its affiliates (but excluding Shares that have not yet been "received," as such term is defined by Section 251(h)(6) of the DGCL), would represent one more Share than 50% of the total number of Shares issued and outstanding as of immediately following the consummation of the Offer. A summary of the principal terms of the Offer, including the conditions thereof, is provided herein under the heading "Summary Term Sheet." This Offer to Purchase and the related Letter of Transmittal contain important information, and you should read these documents carefully before deciding whether to tender your Shares.

Questions, requests for assistance and requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the information agent at the address and telephone number set forth on the back cover of this Offer to Purchase. Stockholders also may contact their brokers, dealers, banks, trust companies or other nominees for assistance concerning the Offer.

April 7, 2026

IMPORTANT

If you desire to tender all or any portion of your Shares in the Offer, this is what you must do:

- If you are a record holder (*i.e.*, uncertificated stock in book-entry form has been issued to you and you directly hold your Shares in an account with Terns' transfer agent, Computershare Trust Company, N.A.), you must complete and sign the enclosed Letter of Transmittal, in accordance with the instructions provided therein, and send the completed Letter of Transmittal and any documents required therein to Computershare Trust Company, N.A., the depositary for the Offer (the "**Depositary**").

- If you hold your Shares through a broker, dealer, commercial bank, trust company or other nominee, you must contact your broker, dealer, commercial bank, trust company or other nominee and give instructions that your Shares be tendered.

The Letter of Transmittal and any other required documents must reach the Depositary prior to the expiration of the Offer (currently scheduled as one minute following 11:59 p.m., Eastern Time, on May 4, 2026, unless extended or earlier terminated as permitted by the Merger Agreement).

Neither the Offer nor the Merger has been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or any state securities commission nor has the SEC or any state securities commission passed upon the fairness or merits of the Offer or the Merger or upon the accuracy or adequacy of the information contained in this Offer to Purchase or the Letter of Transmittal. Any representation to the contrary is unlawful.

* * *

Questions and requests for assistance may be directed to the Information Agent at the address and telephone numbers set forth below and on the back cover of this Offer to Purchase. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance. Additional copies of this Offer to Purchase, the Letter of Transmittal and other related materials may be obtained from the information agent or from your broker, dealer, commercial bank, trust company or other nominee. Copies of these materials may also be found at the website maintained by the SEC at www.sec.gov.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Stockholders may call toll free: (877) 750-2689
Banks and Brokers may call collect: (212) 750-5833

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SUMMARY TERM SHEET

Thailand Merger Sub, Inc. ("**Purchaser**"), a wholly owned subsidiary of Merck Sharp & Dohme LLC ("**Parent**"), is offering to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**") of Terns Pharmaceuticals, Inc. ("**Terns**") for $53.00 per Share (the "**Offer Price**"), net to the seller in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal (which, together with any amendments or supplements from time to time hereto and thereto, collectively constitute the "**Offer**"), and pursuant to the Agreement and Plan of Merger, dated as of March 24, 2026 (as it may be amended or supplemented from time to time, the "**Merger Agreement**"), among Terns, Parent and Purchaser. The following are some of the questions you, as a Terns stockholder, may have and answers to those questions. **This summary term sheet is not meant to be a substitute for the more detailed information contained in the remainder of this Offer to Purchase, and you should carefully read this Offer to Purchase and the accompanying Letter of Transmittal in their entirety because the information in this summary term sheet is not complete and additional important information is contained in the remainder of this Offer to Purchase and the related Letter of Transmittal.** This summary term sheet includes cross-references to other sections of this Offer to Purchase to direct you to the sections of this Offer to Purchase containing a more complete description of the topics covered in this summary term sheet. Unless the context otherwise requires, the terms "we," "us" and "our" refer to Purchaser and, where appropriate, Parent. The information concerning Terns contained herein and elsewhere in this Offer to Purchase has been provided to Parent and Purchaser by Terns or has been taken from, or is based upon, publicly available documents or records of Terns on file with the Securities and Exchange Commission (the "**SEC**") or other public sources at the time of the Offer. Parent and Purchaser have not independently verified the accuracy or completeness of such information.

Securities Sought	All of the outstanding Shares.
Price Offered Per Share	$53.00 per Share, net to the seller in cash, without interest, subject to any applicable withholding of taxes.
Scheduled Expiration of Offer	One minute following 11:59 p.m., Eastern Time, on May 4, 2026, unless the Offer is extended or earlier terminated as permitted by the Merger Agreement.
Purchaser	Thailand Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company.

Who is offering to buy my securities?

Thailand Merger Sub, Inc., a wholly owned subsidiary of Parent, is offering to buy your Shares. We are a Delaware corporation formed for the purpose of making this Offer for all of the outstanding Shares and completing the process by which we will be merged with and into Terns.

See the "Introduction" to this Offer to Purchase and "The Offer—Section 9—Certain Information Concerning Parent and Purchaser."

What securities are you offering to purchase?

We are offering to acquire all of the outstanding Shares, on the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal.

See the "Introduction" to this Offer to Purchase and "The Offer—Section 1—Terms of the Offer."

Why are you making the Offer?

We are making the Offer to acquire the entire equity interest in Terns. If the Offer is consummated, upon the terms and subject to the conditions set forth in the Merger Agreement and in accordance with the relevant

provisions of the Delaware General Corporation Law (the "**DGCL**") and other applicable legal requirements, Purchaser will be merged with and into Terns (the "**Merger**"), with Terns surviving the Merger. Upon consummation of the Merger, Terns will cease to be a publicly traded company and will become a wholly owned subsidiary of Parent.

See "The Offer—Section 11—Background of the Offer; Contacts with Terns" and "The Offer—Section 12—Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights."

How much are you offering to pay for my securities and what is the form of payment? Will I have to pay any fees or commissions?

We are offering to pay $53.00 per Share, net to the seller in cash, without interest, subject to any applicable withholding of taxes. If you are the record holder of your Shares (*i.e.*, uncertificated stock in book-entry form has been issued to you) and you directly tender your Shares to Purchaser in the Offer, you will not have to pay brokerage fees or similar expenses. If you own your Shares through a broker, dealer, commercial bank, trust company or other nominee, and your broker, dealer, commercial bank, trust company or other nominee tenders your Shares on your behalf, then they may charge you a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

See the "Introduction" to this Offer to Purchase and "The Offer—Section 2—Acceptance for Payment and Payment for Shares."

Do you have the financial resources to pay for the Shares?

Yes. We estimate that we will need approximately $6.7 billion to purchase all of the Shares pursuant to the Offer and complete the Merger in accordance with the terms and conditions of the Merger Agreement. Parent expects to obtain the necessary funds for the purchase of Shares in the Offer and the completion of the Merger through (i) cash on hand, (ii) borrowings made by Merck & Co., Inc. ("**Merck**") under the Credit Agreement (as defined below) and/or through commercial paper offerings, (iii) proceeds from debt financings that Merck may decide to undertake, or (iv) a combination of the foregoing.

See "The Offer—Section 10—Source and Amount of Funds." Other than borrowings made through the Credit Agreement as described further below, we have no specific alternative financing arrangements in connection with the Offer or the Merger. The Offer is not conditioned upon Parent's or Purchaser's ability to finance the purchase of Shares pursuant to the Offer or the Merger. We believe the financial condition of Merck, Parent and Purchaser is not relevant to a decision by a holder of Shares whether to sell, hold or tender Shares in the Offer.

Is your financial condition relevant to my decision to tender in the Offer?

No. We do not think our financial condition is relevant to your decision as to whether to tender Shares and accept the Offer because:

- the Offer is being made for all outstanding Shares solely for cash;
- as described above, we, through Parent, will have sufficient funds to purchase all Shares validly tendered (and not validly withdrawn) in the Offer and to complete the Merger, which is expected to occur as promptly as reasonably practicable following (but in any event no later than one business day after) the Offer Acceptance Time (as defined below), subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement;
- consummation of the Offer is not subject to, or conditioned upon, any financing condition; and
- if we consummate the Offer, we expect to acquire any remaining Shares for the same cash per Share price in the Merger.

See "The Offer—Section 10—Source and Amount of Funds."

What are the conditions to the Offer?

Purchaser will not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "**Exchange Act**"), pay for any Shares tendered pursuant to the Offer, if any of the conditions set forth below (the "**Offer Conditions**") is not satisfied or waived in writing by Parent and Purchaser (to the extent waivable by Parent and Purchaser) as of one minute following 11:59 p.m., Eastern Time, on May 4, 2026 (as such date may be extended in accordance with the Merger Agreement, the "**Expiration Time**"):

- the number of Shares validly tendered (and not validly withdrawn), considered together with all other Shares (if any) owned by Parent and its affiliates (but excluding Shares that have not yet been "received," as defined by Section 251(h)(6) of the DGCL), would represent one more Share than 50% of the total number of Shares issued and outstanding as of immediately following the consummation of the Offer (the "**Minimum Condition**");
- the representations and warranties of Terns as set forth:
    - in the first two sentences of Section 3.1(a) (*Organization; Subsidiaries*) and in Section 3.2 (*Authority; Binding Nature of Agreement*), Section 3.3(a)(i) (*Non-Contravention; Consents*), the portions of Section 3.4 (*Capitalization*) not addressed by the third sub-bullet below, Section 3.22 (*Takeover Laws*) and Section 3.24 (*Brokers and Other Advisors*) of the Merger Agreement being accurate (a) in all respects, to the extent any such representations and warranties are qualified by "Material Adverse Effect" (as defined in "The Offer—Section 15—Conditions to the Offer") or "materiality" qualifications in the text thereof, and (b) otherwise, in all material respects, in each case as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time (except to the extent any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties need only be so accurate as of such date);
    - in Section 3.6(b) (*No Material Adverse Effect*) of the Merger Agreement being accurate in all respects as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time;
    - in the first sentence of Section 3.4(a) (*Capitalization*), in the first and second sentences of Section 3.4(d) (*Capitalization*) and in Section 3.4(f) (*Capitalization*) of the Merger Agreement being accurate in all respects, except for de minimis inaccuracies, as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time (except to the extent any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties need only be so accurate as of such date); and
    - in the Merger Agreement (other than those referred to in the three sub-bullets above) being accurate (without taking into account any "Material Adverse Effect" and "materiality" qualifications contained in such representations and warranties), as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time (except to the extent any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties need only be so accurate as of such date), except where the failure of such representations and warranties to be so accurate would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (the conditions in this sub-bullet and the three foregoing sub-bullets, collectively, the "**Representations Condition**");
- Terns having complied with or performed in all material respects the covenants and agreements it is required to comply with or perform at or prior to the Expiration Time (or any failure to comply or perform having been cured by such time) (the "**Obligations Condition**");
- since the execution and delivery of the Merger Agreement, there not having occurred a Material Adverse Effect which is continuing as of the Expiration Time (the "**No MAE Condition**");

- Parent and Purchaser having received a certificate executed on behalf of Terns by Terns' Chief Executive Officer or Chief Financial Officer confirming that the Representations Condition, the Obligations Condition and the No MAE Condition have been satisfied (the "**Certificate Condition**");
- any waiting period or extension thereof applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "**HSR Act**") having expired or been terminated and there not being in effect any voluntary agreement between Parent and Terns, on the one hand, and the Federal Trade Commission ("**FTC**") or the Department of Justice ("**DOJ**"), on the other hand, pursuant to which Parent and Terns have agreed not to consummate the Offer or the Merger (together, the "**HSR Clearance Condition**");
- there not having been issued by any governmental body of competent jurisdiction and remaining in effect any order, judgment, writ, award, decision, decree, injunction or ruling (whether temporary, preliminary or permanent) that is binding under applicable law and which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger, and there not having any law promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body which remains in effect and which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger (together, the "**No Restraints Condition**"); and
- the Merger Agreement not having been terminated in accordance with its terms (the "**Termination Condition**").

See also "The Offer—Section 16—Certain Legal Matters; Regulatory Approvals." Consummation of the Offer is not conditioned on obtaining financing or the funding thereof.

Is there an agreement governing the Offer?

Yes. Terns, Parent and Purchaser have entered into the Agreement and Plan of Merger, dated as of March 24, 2026. Pursuant to the Merger Agreement, the parties have agreed on, among other things, the terms and conditions of the Offer and, following consummation of the Offer, the Merger of Purchaser with and into Terns.

See the "Introduction" to this Offer to Purchase and "The Offer—Section 13—The Transaction Documents—The Merger Agreement."

What does Terns' board of directors think about the Offer?

Terns' board of directors (the "**Terns Board**"), at a meeting duly called and held, unanimously:

- determined that it is fair to and in the best interests of Terns and its stockholders for Terns to enter into the Merger Agreement and any related agreements contemplated thereby ("**Related Agreements**"), to perform its obligations thereunder and to consummate the Transactions, including the Offer and the Merger;
- declared the Merger Agreement and the Transactions, including the Offer and the Merger, advisable;
- authorized and approved the execution, delivery and performance by Terns of the Merger Agreement and any Related Agreements and the consummation of the Transactions, including the Offer and the Merger;
- resolved that the Merger be effected under Section 251(h) of the DGCL as soon as practicable following the consummation (as defined in Section 251(h) of the DGCL) of the Offer; and
- recommended that the stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case upon the terms and subject to the conditions set forth in the Merger Agreement.

Terns will file a Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC (the "**Schedule 14D-9**") indicating the approval of the Merger Agreement, the Offer, the Merger and the other Transactions by the Terns Board and recommending that Terns' stockholders tender their Shares to Purchaser pursuant to the Offer.

See “The Offer—Section 11—Background of the Offer; Contacts with Terns” and “The Offer—Section 13—The Transaction Documents—The Merger Agreement.” A more complete description of the reasons for the Terns Board’s approval of the Offer and the Merger will be set forth in the Schedule 14D-9 filed with the SEC and mailed to Terns’ stockholders.

How long do I have to decide whether to tender my Shares in the Offer?

You have until one minute following 11:59 p.m., Eastern Time, on May 4, 2026 to decide whether to tender your Shares in the Offer, unless the Offer is extended or earlier terminated as permitted by the Merger Agreement. See “The Offer—Section 1—Terms of the Offer.” If we extend the Offer as described below under “Introduction” to this Offer to Purchase, you will have an additional opportunity to tender your Shares. Please be aware that if your Shares are held by a broker, dealer, commercial bank, trust company or other nominee, they may require advance notification before the Expiration Time of the Offer.

When and how will I be paid for my tendered Shares?

In accordance with the terms and conditions of the Merger Agreement, and subject only to the satisfaction or, to the extent waivable by Purchaser or Parent, waiver by Purchaser or Parent of the Offer Conditions, Purchaser will (and Parent will cause Purchaser to), promptly following the Expiration Time (and in any event by 9:00 a.m., Eastern Time, on the business day (determined as set forth in Rule 14d-1(g)(3) under the Exchange Act) immediately following the expiration of the Offer), irrevocably accept for payment (such time of acceptance for payment, the “**Offer Acceptance Time**”) all Shares validly tendered (and not validly withdrawn) pursuant to the Offer. Payment for such Shares shall be made promptly following the Offer Acceptance Time.

We will pay for your validly tendered and not validly withdrawn Shares by depositing the purchase price with Computershare Trust Company, N.A., the depositary for the Offer (the “**Depositary**”), which will act as your agent for the purpose of receiving payments from Purchaser and transmitting such payments to you. In all cases, if you are a record holder (i.e., uncertificated stock in book-entry form has been issued to you and you directly hold your Shares in an account with Terns’ transfer agent, Computershare Trust Company, N.A.), you must complete and sign the enclosed Letter of Transmittal in accordance with the instructions provided therein.

Can the Offer be extended and under what circumstances?

Yes. Purchaser must (and Parent must cause Purchaser to) extend the Offer for any period required by any law, any interpretation or position of the SEC or its staff or The Nasdaq Global Select Market (“**Nasdaq**”) applicable to the Offer. Further, if, as of the then-scheduled Expiration Time, any Offer Condition is not satisfied and has not been waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent, and other than those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied), Purchaser must (and Parent must cause Purchaser to) extend the Offer from time to time, for an additional period in consecutive increments of up to ten business days (or such other period of time agreed by Parent and Terns) per extension, to permit such Offer Condition to be satisfied. However, if each Offer Condition (other than solely the Minimum Condition and those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied) has been satisfied or waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent), Purchaser must (and Parent must cause Purchaser to) extend the Offer for additional periods of ten business days per extension in order to permit the Minimum Condition to be satisfied. Such requirement to extend the Offer in order to permit the Minimum Condition to be satisfied will apply only on four separate occasions, after which Purchaser will not be required to so extend the Offer, but may choose to do so at its discretion.

Notwithstanding the foregoing, Purchaser (a) is not required to extend the Offer beyond the earlier of (i) the termination of the Merger Agreement and (ii) the End Date (as defined below, and such earlier occurrence, the “**Extension Deadline**”); and (b) is not permitted to extend the Offer beyond three business days prior to the Extension Deadline without the prior written consent of Terns. The “**End Date**” means on or prior to 11:59 p.m., Eastern Time, on September 24, 2026, which End Date will be automatically extended twice, first to

December 24, 2026, and then second to March 24, 2027, in each case if, on the applicable End Date before such extension, all of the Offer Conditions (other than the HSR Clearance Condition and, if in respect of any antitrust law, the No Restraints Condition) have been satisfied or waived, to the extent waivable, by Parent or Purchaser (other than conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied).

Will you provide a subsequent offering period?

We will not offer a subsequent offering period.

How will I be notified if the Offer is extended?

If we extend the Offer, we will inform the Depositary of that fact and will make a public announcement of the extension no later than 9:00 a.m., Eastern Time, on the business day after the day on which the Offer was scheduled to expire.

How do I tender my Shares?

If you wish to accept the Offer, this is what you must do:

- If you are a record holder (*i.e.*, uncertificated stock in book-entry form has been issued to you and you directly hold your Shares in an account with Terns' transfer agent, Computershare Trust Company, N.A.), you must complete and sign the enclosed Letter of Transmittal in accordance with the instructions provided therein, and send it with any documents required in the Letter of Transmittal to the Depositary as set forth in Section 3 of this Offer to Purchase.
- If you hold your Shares through a broker, dealer, commercial bank, trust company or other nominee, you must contact your broker, dealer, commercial bank, trust company or other nominee and give instructions that your Shares be tendered.

These materials must reach the Depositary prior to the Expiration Time. Detailed instructions are contained in the Letter of Transmittal and in "The Offer—Section 3—Procedures for Tendering Shares."

We are not providing for guaranteed delivery procedures. Therefore, you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Depositary, which is earlier than the Expiration Time. In addition, for Terns stockholders who are registered holders, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees and any other documents required by the Letter of Transmittal (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and such other documents) must be received by the Depositary prior to the Expiration Time. Terns stockholders must tender their Shares in accordance with the procedures set forth in this Offer to Purchase and the Letter of Transmittal. Tenders received by the Depositary after the Expiration Time will be disregarded and of no effect.

Until what time can I withdraw tendered Shares?

You can withdraw some or all of the Shares that you previously tendered in the Offer at any time prior to the Expiration Time. Further, if we have not accepted your Shares for payment by June 6, 2026, you may withdraw them at any time after June 6, 2026. Once we accept your tendered Shares for payment upon the Expiration Time, you will no longer be able to withdraw them.

See "The Offer—Section 4—Withdrawal Rights."

How do I withdraw tendered Shares?

To withdraw Shares that you previously tendered in the Offer, you must deliver a written notice of withdrawal, which includes the required information, to the Depositary while you have the right to withdraw such Shares. If

you tendered Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, then you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange to withdraw the Shares.

See "The Offer—Section 4—Withdrawal Rights."

Who can participate in the Offer?

The Offer is open to all stockholders of record and beneficial owners of Shares.

Can holders of stock options and/or restricted stock units participate in the Offer?

The Offer is only for the outstanding Shares and not for (a) any options to purchase Shares ("**Terns Options**") or (b) any award of restricted stock units ("**Terns RSUs**" and together with the Terns Options, the "**Terns Equity Awards**"). If you hold unexercised Terns Options and you wish to participate in the Offer, you must exercise your Terns Options (to the extent they are exercisable) in accordance with the terms of the applicable award agreement, Terns' Insider Trading Policy, and tender such Shares received upon the exercise in accordance with the terms of the Offer. Pursuant to the Merger Agreement, at the Effective Time (as defined below):

- each Terns Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether or not vested, and which has a per share exercise price that is less than the Offer Price (each, an "**In the Money Option**"), will be cancelled and converted into the right to receive (without interest) a cash payment equal to (i) the excess of (A) the Offer Price over (B) the exercise price payable per Share of such In the Money Option, multiplied by (ii) the total number of Shares subject to such In the Money Option immediately prior to the Effective Time;
- each Terns Option other than an In the Money Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether or not vested, will be cancelled for no consideration; and
- each Terns RSU that is outstanding as of immediately prior to the Effective Time, whether vested or unvested, will, be cancelled and converted into the right to receive (without interest) a cash payment in an amount equal to the product of (i) the Offer Price and (ii) the number of Shares subject to such Terns RSU.

See "The Offer—Section 13—Transaction Documents—The Merger—Treatment of Terns Equity Awards."

At the Effective Time, the 2017 Terns Equity Incentive Plan, 2021 Incentive Award Plan and 2022 Employment Inducement Award Plan, in each case, as amended (collectively, the "**Terns Equity Plan**"), and all outstanding equity and equity-based awards granted thereunder will terminate (other than with respect to the right to receive payment in accordance with the terms of the Merger Agreement), and no further Shares, Terns Options, Terns RSUs, equity interests or other rights with respect to Shares will be granted under the Terns Equity Plans.

The effective time of the Merger (being such date and at such time as a certificate of merger in respect of the Merger is duly filed with the Secretary of State of the State of Delaware or at such later time and date as may be agreed upon by the parties to the Merger Agreement in writing and specified in the certificate of merger in accordance with the DGCL) is referred to as the "**Effective Time**."

How will the Terns ESPP be treated?

Following the date of the Merger Agreement, (i) no new participants will be permitted to participate in the Terns 2021 Employee Stock Purchase Plan (the "**Terns ESPP**") and participants may not increase their payroll deductions or purchase elections from those in effect on the date of the Merger Agreement, and (ii) no "offering period" or "purchase period" (each as defined in the Terns ESPP) will be commenced under the Terns ESPP. If the Effective Time occurs prior to May 31, 2026 (the next "exercise date" as defined in the Terns ESPP), (A) all outstanding purchase rights under the Terns ESPP will automatically be exercised, in accordance with the terms of the Terns ESPP, no later than five business days prior to the Effective Time (the "**Final Purchase Date**") and

(B) subject to the consummation of the Merger, the Terns ESPP will terminate and no further purchase rights will be granted under the Terns ESPP. All Shares purchased on the Final Purchase Date will be cancelled at the Effective Time and converted into the right to receive the Offer Price in accordance with the Merger Agreement. To the extent required by the Terns ESPP, Terns shall provide notice to Terns ESPP participants describing the treatment of the plan pursuant to the Merger Agreement.

See "The Offer—Section 13—Transaction Documents—The Merger—Treatment of Terns ESPP."

Will the Offer be followed by a Merger if not all of the Shares are tendered in the Offer? If the Offer is completed, will Terns continue as a public company?

If the Minimum Condition is satisfied and the Offer is consummated, subject to the satisfaction or waiver of the other conditions to the Merger, we will effect the Merger of Purchaser with and into Terns as soon as practicable (but in no event later than one business day) following the Offer Acceptance Time in accordance with the terms and conditions of the Merger Agreement. The Merger will be governed by Section 251(h) of the DGCL and effected without a vote of the stockholders of Terns. Pursuant to the Merger Agreement, if the Minimum Condition is not satisfied, we are not required to (nor are we permitted without Terns' consent to) accept Shares for purchase in the Offer, nor will we be able to consummate the Merger.

However, if the Offer is consummated, we expect to complete the Merger pursuant to Section 251(h) of the DGCL and other applicable legal requirements, after which the separate existence of Purchaser will cease and Terns will continue as the surviving corporation and a wholly owned subsidiary of Parent, and the Shares will no longer be publicly traded, given that, following the Merger, we intend to cause the Shares to be delisted from Nasdaq and deregistered under the Exchange Act. In addition, if the Merger takes place, each Share outstanding at the Effective Time (other than (i) Shares held by Terns (or held in Terns' treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser, (ii) Shares irrevocably accepted for purchase in the Offer and (iii) Shares issued and outstanding immediately prior to the Effective Time that are held by holders who are entitled to appraisal rights under Section 262 of the DGCL and have properly exercised and perfected their respective demands for appraisal of such Shares in the time and manner provided in Section 262 of the DGCL and, as of the Effective Time, have neither validly withdrawn nor lost their rights to such appraisal and payment under the DGCL (the "**Dissenting Shares**")) will receive the applicable price per Share paid in the Offer without interest and subject to any applicable withholding of taxes.

See the "Introduction" to this Offer to Purchase and "The Offer—Section 12—Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights" and "The Offer—Section 13—The Transaction Documents—The Merger Agreement."

If I decide not to tender, how will the Offer affect my Shares?

If the Merger is consummated, each Share that is not tendered by a stockholder of Terns and irrevocably accepted for purchase in the Offer (other than (i) Shares held by Terns (or held in Terns' treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser, (ii) Shares irrevocably accepted for purchase in the Offer and (iii) Dissenting Shares) will be automatically converted into the right to receive the Offer Price, without interest and less any applicable withholding of taxes. If we accept and purchase Shares in the Offer, we will consummate the Merger as soon as reasonably practicable after the Offer Acceptance Time without a vote of the stockholders of Terns, pursuant to the relevant provisions of the DGCL and other applicable legal requirements. Therefore, if the Merger takes place and you do not validly exercise your appraisal rights under Section 262 of the DGCL, the only difference to you between tendering your Shares and not tendering your Shares is that you may be paid later if you do not tender your Shares.

While we are obligated under the terms of the Merger Agreement to consummate the Merger within one business day following the Offer Acceptance Time (subject to satisfaction of the conditions specified in the Merger Agreement) and intend to consummate the Merger as soon as practicable after we consummate the Offer, if the

Merger does not take place and the Offer is consummated, there may be so few remaining stockholders and publicly traded Shares that there will no longer be an active or liquid public trading market (or, possibly, any public trading market) for Shares held by stockholders other than Purchaser. We cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares. Also, Terns may no longer be required to make filings with the SEC or otherwise may no longer be required to comply with the SEC rules relating to publicly held companies.

See "The Offer—Section 7—Possible Effects of the Offer on the Market for the Shares; Stock Exchange Listing; Registration under the Exchange Act; Margin Regulations" and "The Offer—Section 13—The Transaction Documents—The Merger Agreement."

Assuming the Minimum Condition is satisfied and we purchase the validly tendered Shares in the Offer, no stockholder vote will be required to consummate the Merger, and we do not expect there to be a significant period of time between the consummation of the Offer and the consummation of the Merger.

See "The Offer—Section 12—Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights—No Stockholder Approval."

Are appraisal rights available in either the Offer or the Merger?

No appraisal rights are available in connection with the Offer. However, if the Offer is successful and the Merger is consummated, stockholders of record of Terns or beneficial owners of Shares who (i) did not tender their Shares in the Offer (or, if tendered, validly and subsequently withdrew such Shares prior to the Offer Acceptance Time); (ii) follow the procedures set forth in Section 262 of the DGCL; (iii) have not otherwise waived appraisal rights; (iv) do not thereafter withdraw their demand for appraisal of such Shares or otherwise lose their appraisal rights, in each case in accordance with Section 262 of the DGCL; and (v) in the case of a beneficial owner, have submitted a demand that (x) reasonably identifies the holder of record of the shares for which the demand is made, (y) is accompanied by documentary evidence of such beneficial owner's beneficial ownership of stock and a statement that such documentary evidence is a true and correct copy of what it purports to be, and (z) provides an address at which such beneficial owner consents to receive notices given by Terns and to be set forth on the verified list to be filed with the Delaware Register in the Delaware Court of Chancery, will be entitled to demand appraisal rights of their Shares and receive, in lieu of the consideration payable in the Offer and the Merger, a cash payment equal to the "fair value" of their Shares in accordance with Section 262 of the DGCL. The "fair value" of such Shares as of the Effective Time could be more than, the same as or less than the consideration to be received pursuant to the Merger and Terns may argue in any appraisal proceeding that, for purposes of such proceeding, the fair value of such Shares is less than the Offer Price.

See "The Offer—Section 12—Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights—Appraisal Rights."

What is the market value of my Shares as of a recent date?

On March 24, 2026, the last full trading day before we announced our intention to commence the Offer, the closing price of the Shares on Nasdaq was $50.00 per Share. The 60-day volume-weighted average price on Nasdaq was $40.61 per Share and the 90-day volume-weighted average price on Nasdaq was $37.35 per Share. On April 6, 2026, the last full trading day before the date of this Offer to Purchase, the closing price of the Shares on Nasdaq was $52.78. Please obtain a recent quotation for the Shares before deciding whether or not to tender your Shares.

What are the material U.S. federal income tax consequences of exchanging my Shares pursuant to the Offer or the Merger?

In general, your exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes. You are urged to consult your tax advisor about the tax consequences to you of

exchanging your Shares pursuant to the Offer or the Merger in light of your particular circumstances. See "The Offer—Section 5—Material U.S. Federal Income Tax Consequences."

Who can I talk to if I have questions about the Offer?

You may call Innisfree M&A Incorporated, the information agent (the "**Information Agent**") for the Offer, toll free at (877) 750-2689 for assistance.

See the back cover of this Offer to Purchase.

To the Stockholders of Terns:

INTRODUCTION

Thailand Merger Sub, Inc. ("**Purchaser**"), a wholly owned subsidiary of Merck Sharp & Dohme LLC ("**Parent**"), is offering to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**"), of Terns Pharmaceuticals, Inc. ("**Terns**") for $53.00 per Share (the "**Offer Price**"), net to the seller in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal (which, together with any amendments or supplements from time to time hereto and thereto, collectively constitute the "**Offer**"), and pursuant to the Agreement and Plan of Merger, dated as of March 24, 2026 (as it may be amended or supplemented from time to time, the "**Merger Agreement**"), among Terns, Parent and Purchaser. Unless the context requires otherwise, the terms "we" and "our" refer to Purchaser and, where appropriate, Parent.

If you are the record holder of your Shares (*i.e.*, uncertificated stock in book-entry form has been issued to you), you will not be required to pay brokerage fees, commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the exchange of Shares for cash pursuant to the Offer. However, if you do not complete and sign the Internal Revenue Service ("**IRS**") Form W-9 that is included in the Letter of Transmittal (or other applicable form), you may be subject to backup withholding at the applicable rate on the gross proceeds payable to you. See "The Offer—Section 3—Procedures for Tendering Shares—Backup Withholding." Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS. Stockholders with Shares held in street name by a broker, dealer, commercial bank, trust company or other nominee should consult with their nominee to determine if they will be charged any transaction fees. We will pay all charges and expenses of Computershare Trust Company, N.A., the depositary for the Offer (the "**Depositary**"), and Innisfree M&A Incorporated, the information agent for the Offer (the "**Information Agent**"), incurred in connection with the Offer. See "The Offer—Section 17—Fees and Expenses."

We are making the Offer pursuant to the Merger Agreement, which provides, among other things, that as soon as practicable following the Offer Acceptance Time, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement, Purchaser will merge with and into Terns (the "**Merger**" and, together with the Offer and the other transactions contemplated by the Merger Agreement, the "**Transactions**"), with Terns continuing as the surviving corporation and a wholly owned subsidiary of Parent. The effective time of the Merger (being such date and at such time as the certificate of merger in respect of the Merger is duly filed with the Secretary of State of the State of Delaware or at such later time and date as may be agreed upon by the parties to the Merger Agreement in writing and specified in the certificate of merger in accordance with the Delaware General Corporation Law (the "**DGCL**")) is referred to as the "**Effective Time**." As of the Effective Time, each outstanding Share (other than (i) Shares held by Terns (or held in Terns' treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser, (ii) Shares irrevocably accepted for purchase in the Offer and (iii) Shares issued and outstanding immediately prior to the Effective Time that are held by holders who are entitled to appraisal rights under Section 262 of the DGCL and have properly exercised and perfected their respective demands for appraisal of such Shares in the time and manner provided in Section 262 of the DGCL and, as of the Effective Time, have neither validly withdrawn nor lost their rights to such appraisal and payment under the DGCL (the "**Dissenting Shares**")) will receive the applicable price per Share paid in the Offer without interest and subject to any applicable withholding of taxes. The Merger is subject to the satisfaction or waiver of certain conditions described in "The Offer—Section 13—The Transaction Documents—The Merger Agreement—Conditions to the Merger" (the "**Offer Conditions**"). "The Offer—Section 13—The Transaction Documents—The Merger Agreement" contains a more detailed description of the Merger Agreement. "The Offer—Section 5—Material U.S. Federal Income Tax Consequences" summarizes the material U.S. federal income tax consequences of the sale of Shares in the Offer and the Merger.

The Offer is only for the outstanding Shares and not for (a) any options to purchase Shares ("**Terns Options**") or (b) any award of restricted stock units ("**Terns RSUs**" and together with the Terns Options, the "**Terns Equity Awards**"). If you hold unexercised Terns Options and you wish to participate in the Offer, you must exercise your Terns Options (to the extent they are exercisable) in accordance with the terms of the applicable award agreement, and tender such Shares received upon the exercise in accordance with the terms of the Offer. "**Terns Equity Plan**" means each of Terns' 2017 Equity Incentive Plan, 2021 Incentive Award Plan and 2022 Employment Inducement Award Plan, in each case, as amended.

Pursuant to the Merger Agreement, except as otherwise agreed between Parent and the holder of the relevant Terns Equity Awards in writing, at the Effective Time (as defined below):

- each Terns Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether or not vested and which has a per share exercise price that is less than the Offer Price (each, an "**In the Money Option**"), will be cancelled and converted into the right to receive (without interest) a cash payment equal to (i) the excess of (A) the Offer Price over (B) the exercise price payable per Share of such In the Money Option, multiplied by (ii) the total number of Shares subject to such In the Money Option immediately prior to the Effective Time;
- each Terns Option other than an In the Money Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether or not vested, will be cancelled for no consideration; and
- each Terns RSU that is outstanding as of immediately prior to the Effective Time, whether vested or unvested, will be cancelled and converted into the right to receive (without interest) a cash payment in an amount equal to the product of (i) the Offer Price and (ii) the number of Shares subject to such Terns RSU.

At the Effective Time, the Terns Equity Plans and all outstanding equity and equity-based awards granted thereunder will terminate (other than with respect to the right to receive payment in accordance with the terms of the Merger Agreement), and no further Shares, Terns Options, Terns RSUs, equity interests or other rights with respect to Shares will be granted under the Terns Equity Plans.

Following the date of the Merger Agreement, (i) no new participants will be permitted to participate in the Terns ESPP and participants may not increase their payroll deductions or purchase elections under the Terns ESPP from those in effect on the date of the Merger Agreement, and (ii) no "offering period" or "purchase period" (each as defined in the Terns ESPP) will be commenced under the Terns ESPP. If the Effective Time occurs prior to May 31, 2026 (the next "exercise date" as defined in the Terns ESPP), (A) all outstanding purchase rights under the Terns ESPP will automatically be exercised, in accordance with the terms of the Terns ESPP, no later than five business days prior to the Effective Time (the "**Final Purchase Date**") and (B) subject to the consummation of the Merger, the Terns ESPP will terminate and no further purchase rights will be granted under the Terns ESPP. All Shares purchased on the Final Purchase Date will be cancelled at the Effective Time and converted into the right to receive the Offer Price in accordance with the Merger Agreement. To the extent required by the Terns ESPP, Terns shall provide notice to Terns ESPP participants describing the treatment of the plan pursuant to the Merger Agreement.

The board of directors of Terns (the "Terns Board"), at a meeting duly called and held, has unanimously (i) determined that it is fair to and in the best interests of Terns and its stockholders for Terns to enter into the Merger Agreement and any related agreements contemplated thereby ("Related Agreements"), to perform its obligations thereunder and to consummate the Transactions, including the Offer and the Merger, (ii) declared the Merger Agreement and the Transactions, including the Offer and the Merger, advisable, (iii) authorized and approved the execution, delivery and performance by Terns of the Merger Agreement and any Related Agreements and the consummation of the Transactions, including the Offer and the Merger, (iv) resolved that the Merger be effected under Section 251(h) of the DGCL as soon as practicable following the consummation (as defined in Section 251(h) of the DGCL) of the Offer and

(v) recommended that the stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case upon the terms and subject to the conditions set forth in the Merger Agreement.

Terns will file its Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 (the "**Schedule 14D-9**") with the U.S. Securities and Exchange Commission (the "**SEC**") and disseminate the Schedule 14D-9 to holders of Shares, in connection with the Offer. The Schedule 14D-9 will include a more complete description of the Terns Board's reasons for authorizing and approving the Merger Agreement and the Transactions. Therefore, stockholders of Terns are encouraged to review the Schedule 14D-9 carefully and in its entirety.

Purchaser will not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "**Exchange Act**"), pay for any Shares tendered pursuant to the Offer, if any of the Offer Conditions is not satisfied or waived in writing by Parent and Purchaser (to the extent waivable by Parent and Purchaser) as of the Expiration Time. The Offer is not conditioned upon Parent or Purchaser obtaining financing or the funding thereof. These and other conditions to the Offer are described in "The Offer—Section 15—Conditions to the Offer" and "The Offer—Section 16—Certain Legal Matters; Regulatory Approvals."

According to Terns, as of the close of business on April 2, 2026, the most recent practicable date, (i) no Shares were subject to issuance pursuant to warrants to purchase Shares, (ii) 12,925,730 Shares were subject to issuance pursuant to Terns Options granted and outstanding under the Terns Equity Plans (which Terns Options have a weighted average exercise price of $10.40), (iii) 1,117,996 Shares were subject to issuance pursuant to Terns RSUs granted and outstanding under the Terns Equity Plans, (iv) 10,755,093 Shares were reserved for future issuance under the Terns Equity Plans, (v) a maximum of 160,935 Shares were estimated to be subject to outstanding purchase rights under the Terns ESPP (determined in accordance with the terms of the Terns ESPP, including applying the applicable discount to the closing price per Share on June 1, 2025 with respect to the offering period thereunder that commenced on such date and the closing price per Share on December 1, 2025 with respect to the offering period thereunder that commenced on such date and assuming that employee contributions will continue until the final purchase date under the Terns ESPP (which is assumed to be May 31, 2026)) and (iv) no Shares were held in treasury by Terns.

Assuming no additional Shares are issued prior to the Expiration Time and based on the Shares outstanding as of April 2, 2026, we anticipate that the Minimum Condition would be satisfied if approximately 6,462,866 Shares are validly tendered and not validly withdrawn pursuant to the Offer prior to the Expiration Time.

We currently intend, as soon as practicable following the Offer Acceptance Time, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement, to consummate the Merger pursuant to the Merger Agreement. Following the Merger, the directors and officers of Purchaser will be the directors and officers of Terns.

Section 251(h) of the DGCL provides that, if following consummation of a tender offer for any and all shares of a public Delaware corporation that would otherwise be entitled to vote on a merger (other than shares held by the acquiring entity and its affiliates), the stock irrevocably accepted for purchase pursuant to such offer and received by the depositary for such tender offer prior to expiration of such offer, plus the stock otherwise owned by the acquiring entity equals at least the amount of shares of each class of stock of the target corporation that would otherwise be required for the stockholders of the target corporation to adopt a merger agreement with the acquiring entity, and each share of each class or series of stock of the target corporation not irrevocably accepted for purchase in the offer is converted into the right to receive the same consideration as was payable in the tender offer, the target corporation can effect a merger without the vote of the stockholders of the target corporation. Therefore, the parties have agreed, and the Merger Agreement requires, that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation

(within the meaning of Section 251(h) of the DGCL) of the Offer, without a vote of Terns' stockholders, in accordance with Section 251(h) of the DGCL. See "The Offer—Section 12—Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights."

The Offer is conditioned upon the fulfillment of the conditions described in "The Offer—Section 15—Conditions to the Offer." The Offer will expire one minute following 11:59 p.m., Eastern Time, on May 4, 2026, unless the Offer is extended or earlier terminated as permitted by the Merger Agreement (the "**Expiration Time**"). See "The Offer—Section 13—The Transaction Documents—The Merger Agreement—Extensions of the Offer."

This Offer to Purchase does not constitute a solicitation of proxies, and Purchaser is not soliciting proxies in connection with the Offer or the Merger. If the Minimum Condition is satisfied and Purchaser consummates the Offer, Purchaser will consummate the Merger pursuant to Section 251(h) of the DGCL without a vote of Terns' stockholders.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION, AND YOU SHOULD CAREFULLY READ THE DOCUMENTS IN THEIR ENTIRETY BEFORE YOU MAKE A DECISION WITH RESPECT TO THE OFFER.

THE OFFER

1. Terms of the Offer

Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay for all Shares that are validly tendered and not validly withdrawn in accordance with the procedures set forth in "—Section 3—Procedures for Tendering Shares" at or prior to the Expiration Time. The Offer will expire one minute following 11:59 p.m., Eastern Time, on May 4, 2026, unless extended or earlier terminated as permitted by the Merger Agreement. No "subsequent offering period" in accordance with Rule 14d-11 of the Exchange Act will be available.

The Offer is subject to the Offer Conditions set forth in "—Section 15—Conditions to the Offer," which include, among other things, satisfaction of the Minimum Condition, the Obligations Condition, the No MAE Condition, the HSR Clearance Condition, and the No Restraints Condition. See also "—Section 16—Certain Legal Matters; Regulatory Approvals." Subject to the satisfaction and waiver of the Offer Conditions, we will (i) as promptly as practicable following the Expiration Time (and in any event by 9:00 a.m. Eastern Time on the business day (determined as set forth in Rule 14d-1(g)(3) under the Exchange Act) immediately following the Expiration Time) accept for payment all Shares tendered (and not validly withdrawn) pursuant to the Offer and (ii) promptly after the Offer Acceptance Time, pay for such Shares.

Purchaser must (and Parent must cause Purchaser to) extend the Offer for any period required by any law, any interpretation or position of the SEC or its staff or The Nasdaq Global Select Market ("**Nasdaq**") applicable to the Offer. Further, if, as of the then-scheduled Expiration Time, any Offer Condition is not satisfied and has not been waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent, and other than those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied), Purchaser must (and Parent must cause Purchaser to) extend the Offer from time to time, for an additional period in consecutive increments of up to ten business days (or such other period of time agreed by Parent and Terns) per extension, to permit such Offer Condition to be satisfied. However, if each Offer Condition (other than solely the Minimum Condition and those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied) has been satisfied or waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent), Purchaser must (and Parent must cause Purchaser to) extend the Offer for additional periods of ten business days per extension in order to permit the Minimum Condition to be satisfied. Such requirement to extend the Offer in order to permit the Minimum Condition to be satisfied will apply only on four separate occasions, after which Purchaser will not be required to so extend the Offer, but may choose to do so at its discretion. Notwithstanding the foregoing, Purchaser (a) is not required to extend the Offer beyond the earlier of (i) the termination of the Merger Agreement (ii) the End Date; and (b) is not permitted to extend the Offer beyond three business days prior to the Extension Deadline without the prior written consent of Terns.

Purchaser expressly reserves the right, to the extent permitted by applicable law, to (i) increase the Offer Price, (ii) waive, in whole or in part, any Offer Condition and (iii) make any other changes in the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement. However, without Terns' prior written consent, Purchaser will not, and Parent will cause Purchaser not to, (A) decrease the Offer Price, (B) change the form of consideration payable in the Offer, (C) decrease the maximum number of Shares sought to be purchased in the Offer, (D) impose conditions to the Offer in addition to the Offer Conditions, (E) amend, modify or waive the Minimum Condition, Termination Condition, HSR Clearance Condition and No Restraints Condition, (F) otherwise amend or modify any of the other terms of the Offer in a manner that adversely affects, or would reasonably be expected to adversely affect, any holder of Shares, (G) terminate the Offer or accelerate, extend or otherwise change the Expiration Time or (H) provide any "subsequent offering period" (or any extension thereof) within the meaning of Rule 14d-11 promulgated under the Exchange Act.

If we make a material change to the terms of the Offer or waive a material condition to the Offer, we will extend the Offer and disseminate additional tender offer materials, in each case, to the extent required by applicable law.

The minimum period during which a tender offer must remain open following material changes in the terms of the offer, other than a change in price or a change in percentage of securities sought, depends upon the facts and circumstances, including the materiality of the changes. In a published release, the SEC has stated that in its view an offer must remain open for a minimum period of time following a material change in the terms of such offer and that the waiver of a condition such as the Minimum Condition is a material change in the terms of an offer. The release states that an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to stockholders, and that if material changes are made with respect to information that approaches the significance of price and the percentage of securities sought (including, for the avoidance of doubt, a change in price or percentage of securities sought), a minimum of ten business days generally is required to allow adequate dissemination and investor response. **If, prior to the Expiration Time, Purchaser increases the consideration being paid for Shares accepted for payment pursuant to the Offer, such increased consideration will be paid to all stockholders whose Shares are purchased pursuant to the Offer, whether or not such Shares were tendered prior to the announcement of the increase in consideration.**

Any extension, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof. Without limiting the manner in which we may choose to make any public announcement, we will have no obligation (except as otherwise required by applicable law) to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to a national news service. In the case of an extension of the Offer, we will make a public announcement of such extension no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Expiration Time.

The Merger Agreement does not contemplate a subsequent offering period for the Offer.

As soon as practicable following the Offer Acceptance Time, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement, Purchaser and Parent expect to complete the Merger without a vote of the stockholders of Terns pursuant to Section 251(h) of the DGCL. We do not expect there to be a significant period of time between the consummation of the Offer and the consummation of the Merger.

Terns has provided Purchaser with its stockholder list, security position listings and certain other information regarding the beneficial owners of Shares for the purpose of disseminating the Offer to holders of Shares. We will send this Offer to Purchase, the related Letter of Transmittal and other related documents to record holders of Shares and to brokers, dealers, commercial banks, trust companies and other nominees whose names appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

2. Acceptance for Payment and Payment for Shares

Upon the terms and subject to the conditions to the Offer, we will, as promptly as practicable following the Expiration Time (and in any event by 9:00 a.m., Eastern Time, on the business day (determined as set forth in Rule 14d-1(g)(3) under the Exchange Act) immediately following the Expiration Time), accept for payment (such time of acceptance for payment, the "**Offer Acceptance Time**") and, at or promptly following the Offer Acceptance Time, pay for, all Shares validly tendered and not validly withdrawn pursuant to the Offer prior to the Expiration Time. For information with respect to approvals or other actions that we are or may be required to obtain prior to the completion of the Offer, including under the HSR Act, see "—Section 16 —Certain Legal Matters; Regulatory Approvals."

We will pay for Shares accepted for payment pursuant to the Offer by depositing the purchase price with the Depositary, which will act as your agent for the purpose of receiving payments from Purchaser and transmitting such payments to you. Upon the deposit of such funds with the Depositary, Purchaser's obligation to make such payment will be satisfied in full, and tendering stockholders must thereafter look solely to the Depositary for payment of amounts owed to them by reason of the acceptance for payment of Shares pursuant to the Offer.

In all cases, payment for Shares accepted for payment will be made only after timely receipt by the Depositary of (a) a confirmation of a book-entry transfer of such Shares into the Depositary's account at the Depository Trust Company (the "**Book-Entry Transfer Facility**"), (b) a properly completed and duly executed Letter of Transmittal, with any required signature guarantees, or in connection with a book-entry transfer, an Agent's Message (defined in "—Section 3—Procedures for Tendering Shares—Book-Entry Delivery") and (c) any other required documents. For a description of the procedures for tendering Shares pursuant to the Offer, see "—Section 3—Procedures for Tendering Shares." Accordingly, payment may be made to tendering stockholders at different times if delivery of the Shares and other required documents occurs at different times.

For the purposes of the Offer, we will be deemed to have accepted for payment tendered Shares when, as and if we give oral or written notice of our acceptance to the Depositary.

Under no circumstances will we pay interest on the consideration paid for Shares pursuant to the Offer, regardless of any extension of the Offer or any delay in making such payment.

If we do not accept for payment any tendered Shares pursuant to the Offer for any reason, or, in the case of Shares delivered by book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in "—Section 3—Procedures for Tendering Shares," the Shares will be credited to an account maintained at the Book-Entry Transfer Facility promptly following the expiration, termination or withdrawal of the Offer.

We reserve the right to transfer or assign, in accordance with the terms of the Merger Agreement, in whole or from time to time in part, to one or more of our affiliates the right to purchase Shares tendered pursuant to the Offer, but such assignment will not (i) impede or delay the consummation of the Transactions or otherwise impede the rights of the stockholders of Terns under the Merger Agreement or (ii) relieve Parent of its obligations under the Merger Agreement.

3. Procedures for Tendering Shares

Valid Tender of Shares

Except as set forth below, in order for you to tender Shares in the Offer, the Depositary must receive the Letter of Transmittal, properly completed and signed, together with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry delivery of Shares, and any other required documents, at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration Time and you must cause your Shares to be tendered pursuant to the procedure for book-entry transfer set forth below and the Depositary must receive timely confirmation of the book-entry transfer of the Shares into the Depositary's account at the Book-Entry Transfer Facility.

The method of delivery of Shares through the Book-Entry Transfer Facility, and all other required documents, is at your election and sole risk, and delivery will be deemed made only when actually received by the Depositary. In all cases, you should allow sufficient time to ensure timely delivery.

The tender of Shares pursuant to the procedure described above will constitute your acceptance of the Offer, as well as your representation and warranty that (a) you own the Shares being tendered, (b) you have the full power and authority to tender, sell, assign and transfer the Shares tendered, as specified in the Letter of Transmittal and (c) when the Shares are accepted for payment by Purchaser, we will acquire good and unencumbered title thereto, free and clear of any liens, restrictions, charges or encumbrances and not be subject to any adverse claims. Our acceptance for payment of Shares tendered by you pursuant to the Offer will constitute a binding agreement between Purchaser with respect to such Shares, upon the terms and subject to the conditions to the Offer.

Book-Entry Delivery

The Depositary has established or will establish an account with respect to the Shares for the purposes of the Offer at the Book-Entry Transfer Facility. Any financial institution that is a participant in the system of the Book-Entry Transfer Facility may deliver Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account in accordance with the procedures of the Book-Entry Transfer Facility.

If delivery of Shares is effected through book-entry transfer, the Letter of Transmittal should not be returned to the Depositary and instead an Agent's Message in lieu of the Letter of Transmittal and any other required documents must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase by the Expiration Time.

"**Agent's Message**" means a message transmitted by the Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of a book-entry confirmation stating that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce that agreement against the participant.

Required documents must be transmitted to and received by the Depositary at one of its addresses set forth on the back cover page of this Offer to Purchase prior to the Expiration Time. **Delivery of the enclosed Letter of Transmittal and any other required documents to the Book-Entry Transfer Facility does not constitute delivery to the Depositary**.

Signature Guarantees

All signatures on a Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) that is a member of a recognized Medallion Program approved by The Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange, Inc. Medallion Signature Program (MSP) or any other "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 under the Exchange Act) (each, an "**Eligible Institution**"), unless the Shares tendered are tendered (a) by a registered holder of Shares who has not completed either the box labeled "Special Payment Instructions" or the box labeled "Special Delivery Instructions" on the Letter of Transmittal or (b) for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

No Guaranteed Delivery

We are not providing for guaranteed delivery procedures. Therefore, Terns stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Depositary, which is earlier than the Expiration Time. In addition, for Terns stockholders who are registered holders, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees and any other documents required by the Letter of Transmittal (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and such other documents) must be received by the Depositary prior to the Expiration Time. Terns stockholders must tender their Shares in accordance with the procedures set forth in this Offer to Purchase and the Letter of Transmittal. Tenders received by the Depositary after the Expiration Time will be disregarded and of no effect.

Backup Withholding

Under the U.S. federal income tax laws, the Depositary generally will be required to withhold at the applicable backup withholding rate from any payments made to U.S. persons pursuant to the Offer, unless you provide the Depositary with your correct taxpayer identification number and certify that you are not subject to such backup withholding by completing the IRS Form W-9 included in the Letter of Transmittal or otherwise establish an

exemption from backup withholding. If you are a non-U.S. person, you generally will not be subject to backup withholding if you certify your foreign status on the appropriate IRS Form W-8.

Appointment of Proxy

By executing a Letter of Transmittal, you irrevocably appoint our designees as your attorneys-in-fact and proxies, with full power of substitution, in the manner set forth in the Letter of Transmittal to the full extent of your rights with respect to the Shares tendered and accepted for payment by Purchaser (and any and all other Shares or other securities issued or issuable in respect of such Shares on or after the date of this Offer to Purchase). All such powers of attorney and proxies are irrevocable and coupled with an interest in the tendered Shares. Such appointment is effective only upon our acceptance for payment of such Shares in accordance with the terms of the Offer. Upon such acceptance for payment, all prior powers of attorney and proxies and consents granted by you with respect to such Shares and other securities will, without further action, be revoked, and no subsequent powers of attorney or proxies may be given nor subsequent written consents executed (and, if previously given or executed, will cease to be effective). Upon such acceptance for payment, our designees will be empowered to exercise all of your voting and other rights as they, in their sole discretion, may deem proper at any annual, special or adjourned meetings of Terns' stockholders, by written consent or otherwise. We reserve the right to require that, in order for Shares to be validly tendered, immediately upon our acceptance for payment of such Shares, we are able to exercise full voting rights with respect to such Shares and other securities (including voting at any meeting of stockholders then scheduled or acting by written consent without a meeting).

The foregoing powers of attorney and proxies are effective only upon acceptance for payment of Shares pursuant to the Offer. The Offer does not constitute a solicitation of proxies, absent a purchase of Shares, for any meeting of Terns' stockholders.

Determination of Validity

We will determine, in our sole discretion (which may be delegated in whole or in part to the Depositary), all questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares, and our determination will be final and binding. We reserve the absolute right to reject any or all tenders of Shares that we determine not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of Purchaser, be unlawful. We also reserve the absolute right to waive any defect or irregularity in any tender of Shares. No tender of Shares will be deemed to have been validly made until all defects and irregularities with respect to such tender have been cured or waived. None of Terns, Parent, Purchaser, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or waiver of any such defect or irregularity or incur any liability for failure to give any such notification. Subject to applicable law as applied by a court of competent jurisdiction, our interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding. Tendering stockholders have the right to challenge our determination with respect to their Shares.

4. Withdrawal Rights

Except as described in this Section 4, tenders of Shares made in the Offer are irrevocable. You may withdraw some or all of the Shares that you have previously tendered in the Offer at any time before the Expiration Time and, if such Shares have not yet been accepted for payment as provided herein, any time after June 6, 2026, which is 60 days from the date of the commencement of the Offer.

If we extend the period of time during which the Offer is open, are delayed in accepting for payment or paying for Shares or are unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the Depositary may, on our behalf, retain all Shares tendered, and such Shares may not be withdrawn except to the extent that you duly exercise withdrawal rights as described in this Section 4.

For your withdrawal to be effective, a written notice of withdrawal with respect to the Shares must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase, and the notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with (except in the case of Shares tendered by an Eligible Institution) signatures guaranteed by an Eligible Institution must be submitted before the release of such Shares. If you tendered Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, then you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange to withdraw the Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered. However, withdrawn Shares may be retendered at any time before the Expiration Time by again following any of the procedures described in "—Section 3—Procedures for Tendering Shares."

We will determine, in our sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal. None of Purchaser, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or waiver of any such defect or irregularity or incur any liability for failure to give any such notification. Subject to applicable law as applied by a court of competent jurisdiction, our determination will be final and binding. Tendering stockholders have the right to challenge our determination with respect to their Shares.

5. Material U.S. Federal Income Tax Consequences

This section discusses the material U.S. federal income tax consequences to U.S. Holders and Non-U.S. Holders (in each case, as defined below) who tender Shares pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations proposed or promulgated under the Code, judicial decisions and published rulings and administrative pronouncements of the IRS, all as in effect as of the date of this Offer. These authorities are subject to change, possibly with retroactive effect, and subject to differing interpretations, which could adversely affect a holder of Shares. We have not sought and will not seek any rulings from the IRS regarding the matters discussed herein. There can be no assurance the IRS or a court will not take a contrary position to the views expressed herein. This section does not address the tax treatment of exchanging the Shares pursuant to the Offer or Merger under the laws of any state, local or non-U.S. taxing jurisdiction.

This discussion is limited to Shares held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment) and not as qualified small business stock within the meaning of Section 1202 of the Code. This discussion does not address all U.S. federal income tax consequences relevant to a holder of Shares in light of such holder's particular circumstances, including to holders subject to special rules such as:

- banks, insurance companies, or other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers or traders in currencies or securities, or other persons that elect to use a mark-to-market method of accounting for their holdings in Shares;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- tax-exempt organizations or governmental organizations;
- persons who hold or receive Shares pursuant to the exercise of any employee stock option or otherwise as compensation (including Terns Options, Terns RSUs, Terns Warrants, or the Terns ESPP);

- tax-qualified retirement plans;
- U.S. Holders that own, or have owned, actually or constructively, more than 5% of our Shares;
- persons subject to the alternative minimum tax;
- persons who own (or are deemed to own) stock of Parent;
- persons who exercise appraisal rights in the Merger;
- U.S. expatriates and former citizens or long-term residents of the United States; and
- persons holding Shares as part of a hedge, straddle or other risk-reduction strategy, or as part of a conversion transaction or other integrated investment.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes holds Shares, the tax treatment of a partner in such partnership will depend on the status of the partner, the activities of such partnership, and certain determinations made at the partner level. Accordingly, each partnership and each partner in such partnership holding Shares is urged to consult its tax advisor regarding the U.S. federal income tax consequences to them of the transactions pursuant to the Offer and the Merger.

For purposes of this discussion, a "**U.S. Holder**" is a beneficial owner of Shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a domestic corporation;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (a) that is subject to the primary supervision of a court within the United States and all the substantial decisions of which are controlled by one or more U.S. persons or (b) that has a valid election in effect under applicable Regulations to be treated as a U.S. person.

A "**Non-U.S. Holder**" is a beneficial owner of Shares other than a U.S. Holder and that is not a partnership for U.S. federal income tax purposes.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND MAY NOT, AND IS NOT INTENDED TO, BE CONSTRUED AS TAX ADVICE. EACH HOLDER OF SHARES IS URGED TO CONSULT ITS TAX ADVISOR WITH RESPECT TO THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS TO ITS PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE TRANSACTIONS PURSUANT TO THE OFFER AND THE MERGER ARISING UNDER STATE, LOCAL OR NON-U.S. TAX LAWS OR UNDER ANY APPLICABLE INCOME TAX TREATY.

The exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes.

U.S. Holders

In general, a U.S. Holder that exchanges Shares for cash pursuant to the Offer or the Merger will recognize gain or loss equal to the difference between such U.S. Holder's adjusted tax basis in the Shares and the amount of

cash received in exchange therefor. Any gain or loss will be determined separately for each block of Shares (*i.e.*, Shares acquired for the same cost in a single transaction) exchanged pursuant to the Offer or the Merger. Such gain or loss generally will be capital gain or loss. Capital gain of a non-corporate U.S. Holder is subject to U.S. federal income tax at a preferential rate if the U.S. Holder's holding period in the Shares exceeds one year as of the date of the exchange of such Shares pursuant to the Offer or the Merger, as applicable. The deduction of capital losses is subject to limitations.

Non-corporate U.S. Holders whose income exceeds certain thresholds generally are also subject to a 3.8% tax on all or part of their net investment income. Net investment income includes net gains from the exchange of Shares pursuant to the Offer or the Merger. U.S. Holders are encouraged to consult their respective tax advisors regarding the application of this net investment income tax in their particular circumstances.

Non-U.S. Holders

A Non-U.S. Holder will generally not be subject to U.S. federal income or withholding tax on any gain (or loss) recognized with respect to Shares exchanged in the Offer or the Merger unless:

- such gain on Shares is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by applicable income tax treaty, is attributable to such Non-U.S. Holder's permanent establishment in the United States); or
- such Non-U.S. Holder is an individual who was present in the United States for 183 days or more in the taxable year of sale and certain other conditions are met.

Gain described in the first bullet point above will generally be subject to U.S. federal income tax on a net income basis in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise). Such gain of a corporate Non-U.S. Holder may also be subject to an additional "branch profits tax" at a 30% rate (or lower rate provided by an applicable income tax treaty).

Gain described in the second bullet point above will generally be subject to tax at a rate of 30% (or a lower rate provided by an applicable income tax treaty), which may be offset by U.S.-source capital losses recognized in the same taxable year by the Non-U.S. Holder, provided that such Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences to them of the transactions pursuant to the Offer and the Merger, including any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Proceeds from the sale of Shares pursuant to the Offer or the Merger generally are subject to information reporting and may be subject to backup withholding at the applicable rate (currently 24%) if the stockholder or other payee fails to provide a valid taxpayer identification number and comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding is not an additional U.S. federal income tax. Rather, the U.S. federal income tax liability of the person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may generally be obtained provided that the required information is timely furnished to the IRS. See "—Section 3—Procedures for Tendering Shares—Backup Withholding."

6. Price Range of Shares; Dividends

According to Terns' Annual Report on Form 10-K for the year ended December 31, 2025, the Shares are listed and principally traded on The Nasdaq Global Select Market under the symbol "TERN." The following table sets

forth the high and low closing sale prices per Share on Nasdaq with respect to the periods indicated and as reported by published financial sources:

	High	Low
2024		
First Quarter	$ 8.19	$ 4.86
Second Quarter	$ 8.20	$ 4.54
Third Quarter	$11.23	$ 6.49
Fourth Quarter	$ 8.27	$ 5.53
2025		
First Quarter	$ 5.75	$ 2.76
Second Quarter	$ 4.10	$ 2.00
Third Quarter	$ 8.18	$ 3.85
Fourth Quarter	$47.09	$ 7.50
2026		
First Quarter	$53.17	$34.11
Second Quarter (through April 6, 2026)	$52.79	$52.72

Terns does not pay cash dividends on the Shares and, under the terms of the Merger Agreement, subject to certain exceptions, Terns is not permitted to establish a record date for, declare, set aside or pay any dividend or make any other distribution in respect of any shares of its capital stock (including the Shares) or other equity or voting interests. If we acquire control of Terns, we currently intend that no dividends will be declared on the Shares prior to the Effective Time.

On March 24, 2026, the last full trading day before the announcement of the Merger Agreement, the Merger and the Offer, the closing price per Share on Nasdaq was $50.00 in published financial sources. The 60-day volume-weighted average price on Nasdaq was $40.61 per Share and the 90-day volume-weighted average price on Nasdaq was $37.35 per Share. On April 6, 2026, the last full trading day before the date of this Offer to Purchase, the closing price per Share on Nasdaq was $52.78. **Please obtain a recent quotation for the Shares before deciding whether or not to tender.**

7. Possible Effects of the Offer on the Market for the Shares; Stock Exchange Listing; Registration under the Exchange Act; Margin Regulations

Assuming the Minimum Condition is satisfied and we purchase the Shares in the Offer, no stockholder vote will be required to consummate the Merger. Following the consummation of the Offer and subject to the satisfaction or waiver of the remaining conditions contained in the Merger Agreement, we intend to consummate the Merger as soon as practicable. We do not expect there to be a significant period of time between consummation of the Offer and consummation of the Merger.

Possible Effects of the Offer on the Market for the Shares

While we are obligated under the terms of the Merger Agreement to consummate the Merger within one business day following the Offer Acceptance Time (subject to the satisfaction of the conditions specified in the Merger Agreement) and intend to consummate the Merger as soon as practicable after consummation of the Offer, if the Offer is consummated but the Merger does not occur, the number of stockholders, and the number of Shares that are still in the hands of the public, may be so small that there will no longer be an active or liquid public trading market (or possibly any public trading market) for Shares held by stockholders other than Purchaser. We cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares or whether such reduction would cause future market prices to be greater or less than the price paid in the Offer. If the Merger is consummated, stockholders not tendering their Shares in the Offer (other than (i) Shares held by Terns (or held in Terns'

treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser and (ii) Dissenting Shares) will receive cash in an amount equal to the price per Share paid in the Offer.

Stock Exchange Listing

While we intend to consummate the Merger as soon as practicable after consummation of the Offer, if the Offer is consummated but the Merger does not occur, depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the standards for continued listing on Nasdaq. If, as a result of the purchase of Shares pursuant to the Offer, the Shares no longer meet the criteria for continued listing on Nasdaq or any other market of the Nasdaq Stock Market, the market for the Shares could be adversely affected. The Shares may no longer meet the criteria for continued listing on the Nasdaq Stock Market if, among other things, Terns no longer meets the requirements for the number of publicly held Shares, the aggregate market value of the listed Shares or the number of stockholders of the Shares.

If Nasdaq were to delist the Shares, it is possible that the Shares would trade on another securities exchange or in the over-the-counter market and that price quotations for the Shares would be reported by such exchange or other sources. The extent of the public market for the Shares and availability of such quotations would, however, depend upon such factors as the number of holders and/or the aggregate market value of the publicly held Shares at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration of the Shares under the Exchange Act and other factors.

Registration under the Exchange Act

The Shares are currently registered under the Exchange Act. While we intend to consummate the Merger as soon as practicable after consummation of the Offer, if the Offer is consummated but the Merger does not occur, the purchase of the Shares pursuant to the Offer may result in the Shares becoming eligible for deregistration under the Exchange Act. Registration may be terminated upon application of Terns to the SEC if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of the registration of the Shares under the Exchange Act, assuming there are no other securities of Terns subject to registration, would substantially reduce the information required to be furnished by Terns to holders of Shares and to the SEC and would make certain of the provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b) thereof, the requirement to furnish a proxy statement pursuant to Section 14(a) thereof in connection with a stockholder's meeting and the related requirement to furnish an annual report to stockholders, and the requirements of Rule 13e-3 thereof with respect to "going private" transactions, no longer applicable to Terns. Furthermore, "affiliates" of Terns and persons holding "restricted securities" of Terns may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or eligible for stock exchange listing.

Following the purchase of Shares in the Offer and subject to the satisfaction or waiver of the remaining conditions contained in the Merger Agreement, we will consummate the Merger as promptly as practicable, following which the Shares will no longer be publicly traded. Following the consummation of the Merger, we intend to take steps to cause the termination of the registration of Shares under the Exchange Act as promptly as practicable and may in the future take steps to cause the suspension of all of Terns' reporting obligations under the Exchange Act.

Margin Regulations

The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such Shares. Depending upon factors similar to those described above regarding listing and market quotations, following the purchase of Shares pursuant to the Offer, the Shares might

no longer constitute "margin securities" for the purposes of the Federal Reserve Board's margin regulations and, therefore, could no longer be used as collateral for loans made by brokers.

8. Certain Information Concerning Terns

The information concerning Terns contained in this Offer to Purchase has been taken from or based upon publicly available documents and records on file with the SEC and other public sources and is qualified in its entirety by reference thereto.

Terns is a clinical-stage oncology company reimagining known biology to deliver high impact medicines. The company's portfolio consists of drug candidates intended to improve clinical outcomes compared to current standard of care in the target indication. All product candidates in the pipeline were internally discovered. The lead oncology asset is TERN-701, a novel, oral allosteric BCR-ABL1 inhibitor with best-in-disease potential for chronic myeloid leukemia (CML) currently in Phase 1/2 development.

Terns was incorporated under the laws of the Cayman Islands in 2016. In December 2020, Terns effected a deregistration under the Cayman Islands Companies Law (2020 Revision) and a domestication under Section 388 of the DGCL, pursuant to which Terns' jurisdiction of incorporation was changed from the Cayman Islands to Delaware. Terns' principal executive offices are located at 1065 East Hillsdale Boulevard, Suite 100, Foster City, California 94404. The telephone number of Terns' principal executive offices is (650) 525-5535.

Additional Information

Terns is subject to the informational and reporting requirements of the Exchange Act and in accordance therewith files and furnishes periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. You may read and copy any such reports, statements or other information at the SEC's website at www.sec.gov. The SEC's website address is not intended to function as a hyperlink, and the information contained in the SEC's website is not incorporated by reference in this Offer to Purchase and you should not consider it as part of this Offer to Purchase.

9. Certain Information Concerning Parent and Purchaser

Parent is a wholly owned subsidiary of Merck & Co., Inc., a New Jersey corporation ("**Merck**"), which is a global health care company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies and animal health products. Merck's operations are principally managed on a products basis and include two operating segments, which are the pharmaceutical and animal health segments, both of which are reportable segments.

The address of Merck and Parent's principal executive offices is 126 East Lincoln Avenue, P.O. Box 2000, Rahway, New Jersey 07065. The telephone number of Merck and Parent's principal executive offices is (908) 740-4000.

Purchaser is a Delaware corporation and wholly owned indirect subsidiary of Parent, and was formed solely for the purpose of facilitating an acquisition by Parent. Purchaser has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the Transactions. Until immediately before the time Purchaser accepts Shares for purchase in the Offer, it is not anticipated that Purchaser will have any significant assets or liabilities or engage in any activities other than those incidental to the Offer and the Merger. Upon consummation of the Merger, Purchaser will merge with and into Terns, whereupon the separate corporate existence of Purchaser will cease, and Terns will continue as the surviving corporation in the Merger (the "**Surviving Corporation**").

The address of Purchaser's principal executive offices is 126 East Lincoln Avenue, P.O. Box 2000, Rahway, New Jersey 07065. The telephone number of Purchaser's principal executive offices is (908) 740-4000.

The name, business address, current principal occupation or employment, five-year employment history and citizenship of each director and executive officer of Merck, Parent and Purchaser and certain other information are set forth on Schedule I hereto. None of Merck, Parent or Purchaser is an affiliate of Terns.

During the last five years, none of Merck, Parent or Purchaser or, to the best knowledge of Merck, Parent and Purchaser, any of the persons listed in Schedule I hereto, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Except as set forth elsewhere in this Offer to Purchase, during the two years before the date of this Offer to Purchase, there have been (i) no transactions between any of Merck, Parent, Purchaser, their subsidiaries or, to the best knowledge of Merck, Parent and Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and Terns or any of its executive officers, directors or affiliates, on the other hand, that would require reporting under SEC rules and regulations; and (ii) no negotiations, transactions or material contacts between Merck, Parent, Purchaser, their subsidiaries or, to the best knowledge of Merck, Parent and Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and Terns or any of its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.

We do not believe our financial condition or the financial condition of Parent is relevant to your decision as to whether to tender your Shares and accept the Offer because (a) the Offer is being made for all outstanding Shares solely for cash; (b) we, through Parent, Merck and their affiliates, will have sufficient funds or amounts available under existing credit facilities to acquire all Shares validly tendered, and not withdrawn, in the Offer and to provide funding for the Merger, which is expected to follow as soon as practicable following the Offer Acceptance Time, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement; (c) consummation of the Offer is not subject to any financing condition; and (d) if we consummate the Offer, we expect to acquire any remaining Shares for the same cash per Share price in the Merger.

Pursuant to Rule 14d-3 under the Exchange Act, we have filed with the SEC a Tender Offer Statement on Schedule TO (which we refer to as the "**Schedule TO**"), of which this Offer to Purchase forms a part, and exhibits to the Schedule TO. The SEC maintains a website at www.sec.gov that contains the Schedule TO and the exhibits thereto and other information that Parent has filed electronically with the SEC.

Purchaser and Parent have made no arrangements in connection with the Offer to provide holders of Shares access to our corporate files or to obtain counsel or appraisal services at our expense. For a discussion of appraisal rights, see "—Section 12—Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights."

10. Source and Amount of Funds

Purchaser estimates that it will need approximately $6.7 billion to purchase all of the Shares pursuant to the Offer and complete the Merger in accordance with the terms and conditions of the Merger Agreement. Parent will provide Purchaser with sufficient funds to purchase all Shares validly tendered (and not validly withdrawn) in the Offer and to complete the Merger. The Offer is not conditioned upon Parent's or Purchaser's ability to finance the purchase of Shares pursuant to the Offer or the Merger.

Parent expects to obtain the necessary funds for the purchase of Shares in the Offer and the completion of the Merger through (i) cash on hand, (ii) borrowings made by Merck under the Credit Agreement (as defined below) and/or through commercial paper offerings, (iii) proceeds from debt financings that Merck may decide to undertake, or (iv) a combination of the foregoing. Other than borrowings made through the Credit Agreement as described further below, we have no specific alternative financing arrangements in connection with the Offer or the Merger. We believe the financial condition of Merck, Parent, and Purchaser is not relevant to a decision by a holder of Shares on whether to sell, hold or tender Shares in the Offer.

Credit Agreement

On April 1, 2026, Merck entered into the 364-Day Delayed Draw Term Loan Credit Agreement (the "**Credit Agreement**") with the lenders party thereto and Citibank, N.A., as administrative agent, pursuant to which each lender has committed, subject to satisfaction of certain conditions set forth in the Credit Agreement, to provide Merck with financing under a 364-day term loan facility in an aggregate amount not to exceed $6 billion.

Borrowings under the Credit Agreement will bear interest at a rate per annum equal to the SOFR rate plus a margin of (i) 0.50% during the period from and including the date loans are borrowed under the Credit Agreement (the "**Funding Date**") to the date that is 180 days from the Funding Date and (ii) 0.75% thereafter. The undrawn commitments under the Credit Agreement will be subject to a commitment fee commencing on July 30, 2026 at a per annum rate of 0.02%.

The commitments under the Credit Agreement will be mandatorily reduced, or the term loans will be repaid, with net cash proceeds of non-ordinary course asset sales and certain debt issuances and equity issuances, subject to qualifications and exceptions specified in the Credit Agreement. Merck also has the ability to voluntarily cancel commitments or repay amounts outstanding under the Credit Agreement each by a minimum amount of $10 million. Loans under the Credit Agreement will mature on the date that is 364 days after the Funding Date.

The Credit Agreement contains representations, warranties, undertakings and events of default that are customary for facilities of this type, with such adjustments as are necessary to reflect the transaction structure.

The proceeds of the Credit Agreement may be used to fund the contemplated acquisition of Terns. Merck intends to use the proceeds from one or more debt or other financings to either (i) fund the transaction in lieu of proceeds from the Credit Agreement, and/or (ii) satisfy its obligations related to any borrowings under the Credit Agreement.

The foregoing description of the Credit Agreement is qualified in its entirety by reference to the full text of the Credit Agreement, which is filed herewith as Exhibit (b)(1) and incorporated by reference herein.

11. Background of the Offer; Contacts with Terns

The following is a description of contacts between representatives of Merck and its affiliates and representatives of Terns and other persons that resulted in the execution of the Merger Agreement. For a review of Terns' additional activities, please refer to the Schedule 14D-9 that will be filed by Terns with the SEC and mailed to stockholders of Terns.

From time to time in the ordinary course of business, Merck evaluates various business opportunities to enhance stockholder value. These evaluations have included periodic assessments of potential strategic transactions to strengthen Merck's existing business.

On January 13, 2026, representatives of Merck met with representatives of Terns at the 44th Annual J.P. Morgan Healthcare Conference in San Francisco, California.

On January 24, 2026, a representative of Merck contacted a representative of Terns, with whom they had engaged in prior business development discussions unrelated to a potential acquisition of Terns, and expressed Merck's interest in TERN-701 and a desire to conduct due diligence relating to a potential transaction involving Terns.

On January 25, 2026, Ms. Amy Burroughs, the Chief Executive Officer of Terns, reached out to a representative of Merck, and informed the representative of Merck that Terns had received an all-cash acquisition proposal at a premium to its current share price, which the Terns Board was taking seriously, and that she wanted to assess whether Merck would also have an interest in evaluating an acquisition of Terns. Ms. Burroughs further requested that Merck come back to her within approximately ten days with an initial indication of value and level of interest, so that Terns could determine whether it made sense to continue investing time and resources considering a potential transaction with Merck, while also offering that Terns would be willing to answer targeted due diligence questions that might assist in Merck's evaluation.

On January 26, 2026, a representative of Merck submitted a list of key due diligence questions to Terns, and, over the course of the next few days, Terns facilitated targeted pre-data room due diligence in the select areas that Merck had identified as important, in reliance on the terms of the Confidentiality Agreement (as defined below) that were in effect at such time, which terms did not then include any standstill or similar provisions.

On February 5, 2026, Merck submitted a non-binding proposal to acquire 100% of Terns' fully diluted equity interests at an all-cash purchase price of $61.00 per Share (the "**February 5th Proposal**"). Prior to the submission of the February 5th Proposal, a representative of Merck had a call with Ms. Burroughs to preview its contents. During the call, the representative of Merck and Ms. Burroughs discussed certain of Merck's due diligence requirements. Following that conversation, a representative of Merck also had a call with a representative of Centerview Partners LLC ("**Centerview**"), financial advisor to Terns, in connection with the February 5th Proposal, during which the representative of Centerview emphasized the importance of Merck moving quickly.

That same day, a representative of Merck received from Freshfields US LLP ("**Freshfields**"), legal counsel to Terns, a draft amendment to the Confidentiality Agreement ("**Amendment No. 3 to the Confidentiality Agreement**").

On February 6, 2026, representatives of Covington & Burling LLP ("**Covington**"), outside legal counsel to Merck, and Freshfields finalized Amendment No. 3 to the Confidentiality Agreement, and the parties executed that amendment on the same day. That Amendment No. 3 to the Confidentiality Agreement, among other things, amended the Confidentiality Agreement to provide for the inclusion of customary standstill provisions in favor of Terns. The standstill restrictions terminate upon the occurrence of, among other things, Terns' execution of a definitive agreement with a third party to acquire more than 50% of its outstanding voting securities, and do not restrict Merck from making confidential acquisition proposals to Terns' Chief Executive Officer or the Terns Board, and do not include "don't ask, don't waive" or similar provisions prohibiting Merck from requesting that the Terns Board release it from its standstill obligations. Following execution of Amendment No. 3 to the Confidentiality Agreement and later that evening, Merck received from Terns access to a virtual data room so that Merck could commence its due diligence.

On February 9, 2026, Merck conducted a site visit in China with one of Terns' manufacturers.

In the evening on February 9, 2026, Merck received an initial draft of the merger agreement and the related disclosure letter from Terns. The initial draft of the merger agreement provided for, among other things, (i) a termination fee in the amount of 2.5% of Terns' fully diluted equity value at the upfront deal price, payable by Terns in the event that Terns terminated the merger agreement to accept a superior proposal or Parent terminated the merger agreement due to an adverse change in recommendation by the Terns Board and (ii) a "hell-or-high-

water" commitment on the part of Parent to undertake asset divestitures and other remedies if required in order to obtain antitrust approvals for the transaction.

During the weeks of February 9 and February 16, 2026, Merck continued to conduct due diligence with respect to Terns and engaged in several due diligence calls with representatives of Terns.

During the week of February 9, 2026, Merck received updated clinical data from Terns' ongoing CARDINAL trial of TERN-701 from Terns management, which was previously requested by Merck, and held a due diligence call with representatives of Terns to discuss the updated CARDINAL clinical data. That same week, Merck received from Terns clinical data generated under Terns' exclusive option and license agreement with Hansoh (Shanghai) Healthtech Co., Ltd. and Jiangsu Hansoh Pharmaceutical Group Company Ltd.

On February 14, 2026, Covington provided a revised draft of the merger agreement to Freshfields. That draft of the merger agreement proposed, among other things, (i) an increase of the proposed termination fee to 4% of Terns' fully diluted equity value at the upfront deal price, (ii) an "anti-hell-or-high-water" provision disclaiming any obligation on the part of Parent to divest any assets or agree to any or conduct remedies in order to obtain antitrust approvals for the transaction, and (iii) certain other revisions, including to the definition of "Material Adverse Effect."

On February 16, 2026, Freshfields sent Covington a revised draft of the merger agreement and the parties continued to negotiate its terms, including, among other things, (i) the size of the termination fee payable by Terns, (ii) the level of efforts applicable to Parent in order to obtain antitrust approvals, (iii) the definition of "Material Adverse Effect" and (iv) certain employee and compensation matters.

On February 20, 2026, Merck was contacted by a member of the financial press inquiring about a potential acquisition of Terns by Merck, which outreach was subsequently conveyed by Merck to Terns.

Also on February 20, 2026, a representative of Merck had a call with Ms. Burroughs to discuss Merck's interest level in a potential transaction and an indication of value. The representative of Merck reaffirmed Merck's interest in a potential transaction and indicated that it was expeditiously advancing all workstreams and expected to submit a revised proposal in the near term, but did not commit to a specific timeline.

In the evening of February 20, 2026, Covington provided Freshfields with a markup of the merger agreement and the related disclosure letter. This draft of the merger agreement proposed, among other things (i) a termination fee in the amount of 3.75% of Terns' fully diluted equity value at the upfront deal price, (ii) reverting to Merck's prior position as to an "anti-hell-or-high-water" antitrust efforts standard and (iii) changes to other material provisions, including definition of "Material Adverse Effect."

On February 22, 2026, a representative of Merck had a follow-up call with Ms. Burroughs, during which Ms. Burroughs asked Merck to provide Terns with a revised proposal. The representative of Merck informed Ms. Burroughs that Merck continued to believe TERN-701 was an attractive product candidate and remained interested in a transaction with Terns but needed more time to complete its due diligence and fully assess the CARDINAL data in order to form a definitive view on value.

On February 27, 2026, a representative of Merck spoke with Ms. Burroughs, during which conversation the representative of Merck reaffirmed Merck's interest in a potential transaction but stated to proceed further, Merck would require certain additional data from the CARDINAL trial, and stated that, if provided and consistent with the past data update, Merck could move quickly to finalize documentation, assuming valuation could be agreed. Ms. Burroughs indicated that there was concern around the length of time that Merck was taking to complete its due diligence, and the Terns Board's expectations based on interactions to date were that Merck would have completed its due diligence by then and formed a perspective on valuation sooner. The representative of Merck reiterated Merck's position that Merck typically elects to conduct fulsome due diligence before providing perspectives on value versus providing offers before due diligence.

On February 28, 2026, Dr. Dean Li, President of Merck Research Laboratories, reached out to Ms. Burroughs to confirm Merck's continued interest in a potential transaction with Terns and reiterate the importance of Merck's request for further updated clinical data so that Merck could finalize its due diligence assessment. Dr. Li's message emphasized that, subject to receiving the updated data, Merck was interested in announcing a transaction as quickly as possible.

In the evening of February 28, 2026, a representative of Merck held a call with Ms. Burroughs, Dr. Emil Kuriakose, the Chief Medical Officer of Terns, and Mr. Scott Harris, Chief Development and Operations Officer of Terns, to further discuss Merck's request, including its scope, for further updated clinical data. Subsequently, the representative of Merck confirmed to Ms. Burroughs that this round of updated clinical data would allow Merck to make a final decision with respect to pursuing a transaction and on value.

On March 2, 2026, Covington received a revised draft of the merger agreement and the related disclosure letter from Freshfields, in which Terns proposed, among other things, (i) a termination fee in the amount of 3% of Terns' fully diluted equity value at the upfront deal price, (ii) a commitment on the part of Parent to undertake asset divestitures and other remedies (but not with respect to TERN-701 or Parent's existing assets) if required in order to obtain antitrust approvals for the transaction and (iii) certain other revisions, including to the definition of "Material Adverse Effect."

On March 5, 2026, representatives of Terns' financial advisors shared materials relating to the updated clinical data with Merck. That same day, a representative of Merck spoke with Ms. Burroughs regarding Merck's continued interest in a potential acquisition of Terns and anticipated timing to bring the discussions to acquire Terns to a conclusion.

Also on March 5, 2026, representatives of Covington held a call with Freshfields to discuss the remaining open points in the merger agreement, and the parties continued to exchange drafts of the merger agreement and related disclosure letter until the execution of the merger agreement on March 24, 2026.

On March 10, 2026, Merck submitted confirmatory due diligence questions related to the updated clinical data. Terns responded to Merck's questions, asking in return for visibility into Merck's timetable and process, noting that price still needed to be discussed.

On March 11, 2026, a representative of Merck spoke with Ms. Burroughs to discuss where Merck stood on process and timetable. The representative of Merck conveyed to Ms. Burroughs that Merck was finalizing its review and that it would be in a position to come back to Terns during the following week.

On March 18, 2026, Merck submitted a revised non-binding proposal to acquire 100% of Terns' fully diluted equity interests at an all-cash purchase price of $50.00 per Share (the "**March 18th Proposal**") and indicated that Merck was ready to move forward with an announcement date of March 25, 2026. Prior to submitting the March 18th Proposal, a representative of Merck spoke with Ms. Burroughs to preview the proposal with her. In the March 18th Proposal, Merck explained that the offer price of $50.00 per Share was based on fundamental value and the totality of the data they had reviewed. The March 18th Proposal also stated that Merck believed that the MMR achievement rate for TERN-701 would likely be at the low end of the range discussed by Terns management and noted that Merck shared Terns' view that such data was still compelling relative to asciminib and therefore had continued enthusiasm to proceed with a transaction.

On March 19, 2026, a representative of Merck spoke with a representative of Centerview, and on such call the representative of Centerview indicated that the Terns Board would be willing to move forward with a transaction at an all-cash price of $56.00 per Share. Shortly thereafter, the representative of Merck contacted the representative of Centerview to convey a revised proposal for the acquisition by Merck of 100% of Terns' fully diluted equity interests at an all-cash purchase price of $52.00 per Share. The representative of Centerview responded that, in their view, the revised proposal would likely not receive the support of the Terns Board. In

turn, the representative of Merck relayed that Merck's "best and final" offer was at an all-cash purchase price of $53.00 per Share, and that Merck would not further increase its proposed purchase price (the "**Final Proposal**").

Following the Final Proposal, the representatives of Covington worked with the representatives of Freshfields to finalize the terms of the merger agreement and the related disclosure letter. During the course of these negotiations, the parties agreed, among other things, on (i) a termination fee payable by Terns of $235 million (representing 3.5% of the fully diluted equity value of Terns at the transaction price) in the event that Terns terminated the merger agreement to accept a superior proposal or Parent terminated the merger agreement due to an adverse change in recommendation by the Terns Board and (ii) an "anti-hell-or high water" antitrust efforts standard for Parent, but that Parent would pay Terns a reverse termination fee of $270 million (representing 4% of the fully diluted equity value of Terns at the transaction price) in certain circumstances where the transaction cannot be consummated due to the failure to obtain antitrust clearances.

At no time prior to the execution of the Merger Agreement did Merck discuss any post-closing employment arrangements or continuing roles with Ms. Burroughs or any other member of Terns management.

On March 24, 2026, the parties executed the Merger Agreement.

The following morning, on March 25, 2026, Merck and Terns issued a joint press release announcing the execution of the Merger Agreement and the terms of the acquisition by Merck.

12. Purpose of the Offer; Plans for Terns; Stockholder Approval; Appraisal Rights

Purpose of the Offer; Plans for Terns

The purpose of the Offer and the Merger is for Parent to acquire the entire equity interest in Terns. The Offer, as the first of two steps in the acquisition of Terns, is intended to facilitate the acquisition of all of the Shares. The purpose of the Merger is to acquire all capital stock of Terns not purchased pursuant to the Offer or otherwise and to cause Terns to become a wholly owned subsidiary of Parent.

We currently intend, as soon as practicable following the Offer Acceptance Time, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement, to consummate the Merger pursuant to the Merger Agreement. As described in "—Section 13—The Transaction Documents—The Merger Agreement—The Merger and Treatment of Shares in the Merger," the Shares acquired in the Offer will be canceled in the Merger and the capital stock of Terns as the surviving corporation in the Merger will be the capital stock of Purchaser. The directors and officers of Purchaser immediately prior to the Effective Time will be the directors and officers of Terns as the Surviving Corporation immediately following the Effective Time, until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal in accordance with the charter of Terns as the Surviving Corporation. See "—Section 13—The Transaction Documents—The Merger Agreement—The Merger and Treatment of Shares in the Merger." Upon completion of the Merger, the Shares currently listed on Nasdaq will cease to be listed on Nasdaq and will subsequently be deregistered under the Exchange Act.

If you sell your Shares in the Offer, you will cease to have any equity interest in Terns or any right to participate in its earnings and future growth. If you do not tender your Shares, but the Merger is consummated, you also will no longer have an equity interest in Terns. Similarly, after selling your Shares in the Offer or the subsequent Merger, you will not bear the risk of any decrease in the value of Terns.

Except as described above or elsewhere in this Offer to Purchase and except for the Transactions, Purchaser has no present plans or proposals that would relate to or result in (a) any extraordinary corporate transaction involving Terns or any of its subsidiaries (such as a merger, reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets), (b) any change in the Terns Board or management, (c) any material change in Terns' capitalization or dividend policy, (d) any other material change in

Terns' corporate structure or business, (e) any class of equity securities of Terns being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotation system operated by a national securities association or (f) any class of equity securities of Terns becoming eligible for termination of registration pursuant to Section 12(g) of the Exchange Act.

No Stockholder Approval

If the Offer is consummated, we do not anticipate seeking a vote of Terns' remaining stockholders before effecting the Merger. Section 251(h) of the DGCL provides that, subject to certain statutory provisions, if following consummation of a tender offer for any and all shares of a public Delaware corporation that would otherwise be entitled to vote on the merger (other than shares held by the acquiring entity and its affiliates), the stock irrevocably accepted for purchase pursuant to such offer and received by the depositary for such tender offer prior to the expiration of such offer, plus the stock otherwise owned by the acquirer equals at least the amount of shares of each class of stock of the target corporation that would otherwise be required for the stockholders of the target corporation to adopt a merger agreement with the acquiring entity, and each share of each class or series of stock of the target corporation not irrevocably accepted for purchase in the offer is converted into the right to receive the same consideration for their stock in the merger as was payable in the tender offer, the target corporation can effect a merger without the vote of the stockholders of the target corporation. Therefore, the parties have agreed, and the Merger Agreement requires, that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation of the Offer, without a vote of Terns' stockholders, in accordance with Section 251(h) of the DGCL.

Appraisal Rights

No appraisal rights are available in connection with the Offer. However, if the Offer is successful and the Merger is consummated, any Shares issued and outstanding as of immediately prior to the Effective Time which are held of record or beneficially owned by stockholders of record of Terns or beneficial owners of Shares who (i) did not tender their Shares in the Offer (or, if tendered, validly and subsequently withdrew such Shares prior to the Offer Acceptance Time); (ii) follow the procedures set forth in Section 262 of the DGCL; (iii) have not otherwise waived appraisal rights; (iv) do not thereafter withdraw their demand for appraisal of such Shares or otherwise lose their appraisal rights, in each case in accordance with Section 262 of the DGCL; and (v) in the case of a beneficial owner, have submitted a demand that (x) reasonably identifies the holder of record of the shares for which the demand is made, (y) is accompanied by documentary evidence of such beneficial owner's beneficial ownership of stock and a statement that such documentary evidence is a true and correct copy of what it purports to be, and (z) provides an address at which such beneficial owner consents to receive notices given by Terns and to be set forth on the verified list to be filed with the Delaware Register in the Delaware Court of Chancery (the "**Delaware Court**"), will be entitled to demand appraisal rights of their Shares and receive, in lieu of the consideration payable in the Offer and the Merger, a cash payment equal to the "fair value" of their Shares in accordance with Section 262 of the DGCL, exclusive of any element of value arising from the accomplishment or expectation of the Merger, as determined by the Delaware Court, together with interest, if any, to be paid upon the amount determined to be the fair value of such Shares. In determining the "fair value" of any Shares, the Delaware Court will take into account all relevant factors. Stockholders of record and beneficial owners should be aware that the fair value of their Shares could be more than, the same as or less than the consideration to be received pursuant to the Offer and the Merger and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the Offer and the Merger, is not an opinion as to, and does not otherwise address, fair value under Section 262 of the DGCL. Moreover, Terns may argue in any appraisal proceeding that, for purposes of such proceeding, the fair value of such Shares is less than the Offer Price. Any stockholder of record or beneficial owner contemplating the exercise of such appraisal rights should carefully review the provisions of Section 262 of the DGCL, particularly the procedural steps required to perfect such rights.

Under Section 262 of the DGCL, where a merger is approved under Section 251(h) of the DGCL, either a constituent, converting, transferring, domesticating or continuing corporation before the effective date of the

merger, or the surviving corporation within ten days thereafter, will notify each of the holders of any class or series of stock of such constituent, converting, transferring, domesticating or continuing corporation who are entitled to appraisal rights of the approval of the merger, consolidation, conversion, transfer, domestication or continuance and that appraisal rights are available for any or all shares of such class or series of stock of such constituent converting, transferring, domesticating or continuing corporation, and will include in such notice a copy of Section 262 of the DGCL or information directing the holders to a publicly available electronic resource at which Section 262 of the DGCL may be accessed without subscription or cost. **The Schedule 14D-9 will constitute the formal notice by Terns to its stockholders of appraisal rights in connection with the Merger under Section 262 of the DGCL.**

As will be described more fully in the Schedule 14D-9, if a stockholder of record or beneficial owner wishes to elect to exercise appraisal rights under Section 262 of the DGCL in connection with the Merger, such stockholder of record or beneficial owner must do all of the following:

- prior to the later of the consummation of the Offer and 20 days after the mailing of the Schedule 14D-9, deliver to Terns a written demand for appraisal of Shares held, which demand must reasonably inform Terns of the identity of the stockholder of record or beneficial owner and that the stockholder of record or beneficial owner is demanding appraisal;
- in the case of a beneficial owner, the demand must (i) reasonably identify the holder of record of the Shares for which the demand is made, (ii) be accompanied by documentary evidence of such beneficial owner's beneficial ownership and a statement that such documentary evidence is a true and correct copy of what it purports to be, and (iii) provide an address at which such beneficial owner consents to receive notices given by the Surviving Corporation and to be set forth on the verified list to be filed with the Delaware Register in the Delaware Court;
- not tender such stockholder's Shares in the Offer (or, if tendered, properly and subsequently withdraw such Shares prior to the Offer Acceptance Time);
- continuously hold of record or beneficially own the Shares from the date on which the written demand for appraisal is made through the Effective Time; and
- strictly follow the statutory procedures for perfecting appraisal rights under Section 262 of the DGCL.

In addition, one of the ownership thresholds set forth in Section 262 of the DGCL must be met and a stockholder of record or beneficial owner or the Surviving Corporation must file a petition in the Delaware Court demanding a determination of the value of the stock of all persons entitled to appraisal within 120 days after the Effective Time. The Surviving Corporation is under no obligation to file any such petition and has no intention of doing so.

Any stockholder of record or beneficial owner of Shares who wishes to exercise such appraisal rights, or who wishes to preserve his, her or its right to do so in connection with the Merger, should carefully review each of the Schedule 14D-9 and Section 262 of the DGCL because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL.

The foregoing summary of the rights of Terns' stockholders of record or beneficial owners to appraisal rights under the DGCL in connection with the Merger is only a summary of the procedures to be followed by the stockholders of record of Terns or beneficial owners of Shares desiring to exercise appraisal rights in connection with the Merger and is qualified by reference to Section 262 of the DGCL. The proper exercise of appraisal rights in connection with the Merger requires strict and timely adherence to the applicable provisions of the DGCL. A copy of Section 262 of the DGCL is set forth in Annex III of Terns' Schedule 14D-9.

13. The Transaction Documents

The Merger Agreement

The following summary description of the Merger Agreement is only a summary of the material terms of the Merger Agreement and is qualified by reference to the Merger Agreement, which is filed as Exhibit (d)(1) to the Schedule TO and is incorporated herein by reference. Stockholders and other interested parties should read the Merger Agreement for a more complete description of the provisions summarized below. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Merger Agreement. **The summary description has been included in this Offer to Purchase to provide you with information regarding the terms of the Merger Agreement and is not intended to modify or supplement any factual disclosures about Parent, Purchaser, Terns or their respective affiliates. The representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement, were made as of specific dates, were made solely for the benefit of the parties to the Merger Agreement and may not have been intended to be statements of fact, but rather, as a method of allocating risk and governing the contractual rights and relationships among the parties to the Merger Agreement. In addition, such representations, warranties and covenants may have been qualified by certain disclosures set forth in a confidential disclosure letter to the Merger Agreement and may apply standards of materiality and other qualifications and limitations in a way that is different from what may be viewed as material by Parent's or Terns' stockholders or under federal securities laws. In reviewing the representations, warranties and covenants contained in the Merger Agreement or any descriptions thereof in this summary, it is important to bear in mind that investors are not third-party beneficiaries under the Merger Agreement and that such representations, warranties, covenants or descriptions were not intended by the parties to the Merger Agreement to be characterizations of the actual state of facts or conditions of Parent, Purchaser, Terns or their respective affiliates. Moreover, information concerning the subject matter of the representations and warranties may have changed or may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in this Offer to Purchase or the parties' public disclosures. For the foregoing reasons, the representations, warranties, covenants or descriptions of those provisions should not be read alone and should instead be read in conjunction with the other information contained in the reports, statements and filings that Parent, its affiliates and Terns publicly file.**

The Offer

The Merger Agreement requires Purchaser to commence, upon the terms and subject to the conditions set forth in the Merger Agreement, a cash tender offer to acquire all of Terns' outstanding Shares for $53.00 per Share, net to the seller of such Shares in cash, without interest, subject to any applicable withholding of taxes – which tender offer is being made pursuant to this Offer to Purchase. The Merger Agreement obligates Purchaser, subject to the satisfaction or waiver of the conditions set forth in "—Section 15—Conditions to the Offer," to, as promptly as practicable following the Expiration Time (and no later than 9:00 a.m., Eastern Time, on the business day after the Expiration Time), accept for payment all Shares validly tendered (and not validly withdrawn) pursuant to the Offer and pay for such Shares.

Purchaser's obligation to accept for payment, and pay for, any Shares validly tendered and not validly withdrawn pursuant to the Offer is subject to the satisfaction or waiver of certain conditions, including the Minimum Condition, HSR Clearance Condition and No Restraints Condition, each as described in "—Section 15—Conditions to the Offer."

Purchaser expressly reserves the right, to the extent permitted by applicable law, to (i) increase the Offer Price, (ii) waive, in whole or in part, any Offer Condition and (iii) make any other changes in the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement. However, without Terns' prior written consent, Purchaser cannot, and Parent cannot cause Purchaser to, (A) decrease the Offer Price, (B) change the form of consideration payable in the Offer, (C) decrease the maximum number of Shares sought to be purchased in the Offer, (D) impose conditions to the Offer in addition to the Offer Conditions, (E) amend, modify or waive

the Minimum Condition, Termination Condition, HSR Clearance Condition and No Restraints Condition, (F) otherwise amend or modify any of the other terms of the Offer in a manner that adversely affects, or would reasonably be expected to adversely affect, any holder of Shares, (G) except as otherwise provided in the Merger Agreement, terminate the Offer or accelerate, extend or otherwise change the Expiration Time or (H) provide any "subsequent offering period" (or any extension thereof) within the meaning of Rule 14d-11 promulgated under the Exchange Act.

We may not terminate or withdraw the Offer prior to any scheduled Expiration Time without Terns' consent, except in the event that the Merger Agreement is terminated in accordance with its terms.

Extensions of the Offer

The Offer will initially be scheduled to expire at the Expiration Time. Purchaser must (and Parent must cause Purchaser to) extend the Offer for any period required by any law, any interpretation or position of the SEC or its staff or Nasdaq applicable to the Offer. Further, if, as of the then-scheduled Expiration Time, any Offer Condition is not satisfied and has not been waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent, and other than those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied), Purchaser must (and Parent must cause Purchaser to) extend the Offer from time to time, for an additional period in consecutive increments of up to ten business days (or other period of time agreed by Parent and Terns) per extension, to permit such Offer Condition to be satisfied. However, if each Offer Condition (other than solely the Minimum Condition and those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied) has been satisfied or waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent), Purchaser must (and Parent must cause Purchaser to) extend the Offer for additional periods of ten business days per extension in order to permit the Minimum Condition to be satisfied. Such requirement to extend the Offer in order to permit the Minimum Condition to be satisfied will apply only on four separate occasions, after which Purchaser will not be required to so extend the Offer, but may choose to do so at its discretion.

Notwithstanding the foregoing, Purchaser (a) is not required to extend the Offer beyond the earlier of (i) the termination of the Merger Agreement (ii) the End Date (as defined below, and such earlier occurrence, the "**Extension Deadline**"); and (b) is not permitted to extend the Offer beyond three business days prior to the Extension Deadline without the prior written consent of Terns.

The Merger and Treatment of Shares in the Merger

As soon as practicable (and in no event later than one business day) following the Offer Acceptance Time, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement, Purchaser will merge with and into Terns, and Terns will survive the Merger as a wholly owned subsidiary of Parent. **The Merger will be effected pursuant to Section 251(h) of the DGCL and will be effected without a vote of Terns' stockholders.**

At the Effective Time, each Share that remains outstanding (other than (i) Shares held at the commencement of the Offer and immediately prior to the Effective Time by Terns (or held in Terns' treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser and (ii) Dissenting Shares) will receive the same price per Share paid in the Offer, without any interest and subject to any applicable withholding of taxes.

Certificate of Incorporation and Bylaws

The certificate of incorporation of Terns as in effect immediately prior to the Effective Time will be amended and restated by virtue of the Merger at the Effective Time to be identical to the form of the certificate of incorporation included as Annex II to the Merger Agreement. The bylaws of Terns as in effect immediately prior to the Effective Time will be amended and restated by virtue of the Merger at the Effective Time to be identical

to the bylaws of Purchaser (except that references to the name of Purchaser will be replaced by references to Terns' name).

Directors and Officers

The directors and officers of Purchaser immediately prior to the Effective Time will become the directors and officers of Terns as the Surviving Corporation until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal.

Treatment of Terns Equity Awards

Terns Options

The Merger Agreement provides that, at the Effective Time:

- each In the Money Option will be cancelled and converted into the right to receive (without interest) a cash payment equal to (i) the excess of (A) the Offer Price over (B) the exercise price payable per Share of such In the Money Option, multiplied by (ii) the total number of Shares subject to such In the Money Option immediately prior to the Effective Time; and
- each Terns Option other than an In the Money Option that is outstanding and unexercised as of immediately prior to the Effective Time, whether or not vested, will be cancelled for no consideration.

Terns RSUs

The Merger Agreement provides that, at the Effective Time, each Terns RSU that is outstanding as of immediately prior to the Effective Time, whether vested or unvested, will be cancelled and converted into the right to receive (without interest) a cash payment equal to the product of (a) the Offer Price and (b) the number of Shares subject to such Terns RSU.

Treatment of Terns Warrants

The Merger Agreement provides that each pre-funded warrant to purchase Shares issued on September 10, 2024 (the "**Terns Warrants**") that is issued and outstanding as of immediately prior to the Offer Acceptance Time will be automatically deemed to be exercised in full in a "cashless exercise" (as defined in, and pursuant to the terms of, such Terns Warrants) and will be converted into the right to receive cash in an amount equal to the product of (a) the total number of Shares issuable upon such "cashless exercise" of such Terns Warrant as of immediately prior to the Offer Acceptance Time pursuant to the terms thereof and (b) the Offer Price, subject to any withholding of taxes in accordance with the terms of the Merger Agreement.

According to Terns, all Terns Warrants were exercised as of March 25, 2026 and are no longer outstanding.

Treatment of Terns ESPP

Following the date of the Merger Agreement, (i) no new participants will be permitted to participate in the Terns ESPP and participants may not increase their payroll deductions or purchase elections under the Terns ESPP from those in effect on the date of the Merger Agreement, and (ii) no "offering period" or "purchase period" (each as defined in the Terns ESPP) will be commenced under the Terns ESPP. If the Effective Time occurs prior to May 31, 2026 (the next "exercise date" as defined in the Terns ESPP), (A) all outstanding purchase rights under the Terns ESPP will automatically be exercised, in accordance with the terms of the Terns ESPP, no later than the Final Purchase Date and (B) subject to the consummation of the Merger, the Terns ESPP will terminate and no further purchase rights will be granted under the Terns ESPP. All Shares purchased on the Final Purchase Date will be cancelled at the Effective Time and converted into the right to receive the Offer Price in accordance with the Merger Agreement. To the extent required by the Terns ESPP, Terns shall provide notice to Terns ESPP participants describing the treatment of the plan pursuant to the Merger Agreement.

Representations and Warranties

In the Merger Agreement, Terns has made customary representations and warranties to Parent and Purchaser that are subject, in some cases, to specified exceptions and qualifications contained in the Merger Agreement or in a confidential disclosure letter delivered by Terns to Parent and Purchaser concurrently with the execution and delivery of the Merger Agreement (the "**Disclosure Letter**"). These representations and warranties relate to, among other things: (a) Terns' and its subsidiaries' organization, good standing and qualifications to do business; (b) the due authorization of Terns to enter into the Merger Agreement, its due execution thereof and enforceability of its obligations thereunder; (c) non-contravention of Terns' obligations and consents related to the Transactions; (d) capitalization of Terns; (e) SEC filings and financial statements; (f) absence of certain changes, conduct of business of Terns and its subsidiaries in the ordinary course and the absence of a Material Adverse Effect; (g) the absence of certain undisclosed liabilities of Terns and its subsidiaries; (h) title to Terns' assets; (i) real property matters; (j) intellectual property and data privacy matters; (k) contracts; (l) compliance with laws; (m) healthcare regulatory matters; (n) certain business practices pertaining to compliance with anti-corruption laws; (o) governmental authorizations for the conduct of Terns' and its subsidiaries' business; (p) tax matters; (q) employee matters; (r) employee benefit plans; (s) environmental matters; (t) insurance matters; (u) legal proceedings and orders; (v) the inapplicability of takeover laws to the Transactions; (w) the opinions of financial advisors delivered to the Terns Board; and (x) the absence of brokers and other similar advisors entitled to fees in connection with the Transactions.

In the Merger Agreement, Purchaser and Parent have made customary representations and warranties to Terns that are subject, in some cases, to specified exceptions and qualifications contained in the Merger Agreement. These representations and warranties relate to, among other things: (a) Parent's and Purchaser's due organization, good standing, and the absence of any activities by Purchaser other than those undertaken in connection with the Transactions; (b) the due authorization of Parent and Purchaser to enter into the Merger Agreement, their due execution thereof and enforceability of their respective obligations thereunder; (c) non-contravention of certain of Parent's and Purchaser's obligations and consents related to the Transactions; (d) compliance with the Exchange Act and the accuracy of the documents disseminated by Parent and Purchaser in connection with the Offer; (e) legal proceedings and orders; (f) availability of funds sufficient to carry out the Transactions; (g) ownership of Shares by Parent and its affiliates, including that neither is an "interested stockholder" within the meaning of Section 203 of the DGCL; and (h) the absence of brokers and other similar advisors entitled to fees in connection with the Transactions.

The representations and warranties will not survive the Effective Time.

Some of the representations and warranties in the Merger Agreement are qualified by materiality qualifications or a "Material Adverse Effect" clause. The definition of "Material Adverse Effect" is described in detail under "—Section 15—Conditions to the Offer."

Operating Covenants

During the period from the execution and delivery of the Merger Agreement until the earlier of the Effective Time and the termination of the Merger Agreement (the "**Pre-Closing Period**"), Terns and its subsidiaries will use commercially reasonable efforts to conduct their respective business in the ordinary course in all material respects, to preserve intact their respective current business organizations, material assets and material permits, including keeping available the services of current officers and key employees, and to maintain all material respects its respective relations and goodwill with all material suppliers, material customers, material licensors, material licensees, governmental bodies and other material business relations, in each case except (a) as expressly required or permitted under the Merger Agreement, applicable laws or to comply with certain material contracts, (b) with the prior written consent of Parent or (c) for certain actions agreed between Parent and Terns and described in the Disclosure Letter.

In addition, during the Pre-Closing Period, Terns and its subsidiaries are not permitted to take any of the actions described below (in each case except (a) as expressly required or permitted under the Merger Agreement,

applicable laws or to comply with certain material contracts, (b) with the prior written consent of Parent or (c) for certain customary exceptions in each case or actions agreed between Parent and Terns and either set forth in the Merger Agreement or described in the Disclosure Letter):

- establish a record date for, declare, set aside or pay any dividend or make any other distribution, or repurchase, redeem or otherwise reacquire any shares of capital stock (including the Shares);
- split, combine, subdivide or reclassify any Shares or other equity interests;
- sell, issue, grant, deliver, pledge, transfer, encumber or authorize the sale, issuance, grant, delivery, pledge, transfer or encumbrance of (a) any capital stock or other equity interest, (b) any option, call, warrant or right to acquire any capital stock or other equity interest, (c) any phantom equity or similar contractual rights or (d) any instrument convertible into or exchangeable for any capital stock or other equity interest;
- (a) establish, adopt, terminate or amend any employee benefit plans (other than with respect to certain employee benefit plans maintained by a professional employer organization), (b) hire any employee or individual independent contractor with an annual base salary or fee of $250,000 or more, or terminate without cause any employees or individual independent contractors, (c) gross up or indemnify, or otherwise reimburse any current or former service provider for any tax incurred by such service provider, (d) fund the payment of compensation or benefits under any employee benefit plan, (e) amend or waive any rights under, or accelerate the vesting under, any provision of any of any employee benefit plans, (f) grant any employee or director any increase in compensation, bonuses or other benefits (including severance, change in control, and retention arrangements), or (g) grant, amend or modify, or exercise any discretionary authority to accelerate the vesting of, any awards under any Terns Equity Plan;
- amend their organizational documents;
- form any subsidiary or establish any material joint venture, partnership or similar arrangement;
- make or commit to any capital expenditures in excess of $250,000 individually or $750,000 in the aggregate;
- make any investment in or capital contribution to, or any loan or advance to, any other person outside the ordinary course of business;
- acquire any business, entity or assets constituting an operating business or line of business, other than acquisitions for consideration that does not exceed $500,000 individually or $2,000,000 in the aggregate;
- sell, assign, transfer or otherwise dispose of assets other than (a) certain obsolete equipment or (b) assets (excluding any drug product or drug substance or other inventory of Terns' key product referred to as TERN-701 that is not otherwise used in ongoing clinical trials) for consideration that does not exceed $500,000 individually or in the aggregate;
- mortgage, pledge or subject to any encumbrances any material assets;
- incur or guarantee any indebtedness for borrowed money in excess of $750,000 in the aggregate;
- acquire, license, sublicense, sell, transfer, abandon, relinquish, permit to lapse or encumber any intellectual property right, other than (a) certain lapses of intellectual property rights or (b) in the ordinary course of business;
- acquire any ownership interest in any real property;
- (a) amend or modify in any material respect, or voluntarily terminate, certain material contracts (except for expiration of such material contracts in accordance with their terms), (b) waive, release or assign any material rights, claims or benefits of Terns or any of its subsidiaries under certain material contracts or (c) enter into any contract which would have been characterized as a material contract under the Merger Agreement, or renew or extend certain material contracts;
- (a) make any material change to any accounting method or accounting period used for tax purposes that has a material effect on taxes, (b) rescind or change any material tax election, (c) file a material amended tax return,

(d) enter into a closing agreement with any governmental body regarding any material tax liability or assessment, (e) settle, compromise or consent to any material tax claim or assessment or surrender a right to a material tax refund or (f) waive or extend the statute of limitations with respect to any material tax or material tax return, other than automatic waivers or extensions obtained in the ordinary course of business;

- change its fiscal year, revalue any of its material assets or change any of its material financial, actuarial or reserving methods or practices in any respect, except as required by GAAP;
- settle, release, waive or compromise any legal proceeding against any of Terns' subsidiaries, except if not resulting in the imposition of material non-monetary relief and out-of-pocket monetary obligations in excess of $250,000 individually or $500,000 in the aggregate or if a monetary obligation entirely funded by an indemnity obligation or an insurance policy of Terns or its subsidiaries;
- commence or initiate any legal proceeding to the extent relating to any Terns intellectual property (other than the making of any counterclaims in any legal proceeding commenced or initiated by any third party);
- adopt, enter into or amend any collective bargaining agreement or other contract with any labor organization or other employee representative body;
- only if applicable to, or otherwise if it would reasonably be expected to adversely affect, Parent, any of its affiliates or the Transactions, adopt or implement any stockholder rights plan or similar arrangement, or enter into any agreement with respect to the voting of capital stock;
- adopt a plan or agreement of complete or partial liquidation or dissolution, merger, consolidation, restructuring, recapitalization or other reorganization;
- (a) commence any clinical study or (b) unless mandated by any governmental body, make any material change to, discontinue, terminate or suspend any clinical study; or
- authorize any of, or agree or commit to take any of, the foregoing actions.

No Solicitation by Terns

During the Pre-Closing Period, Terns and its subsidiaries will not, and will cause their directors and officers not to, and will not authorize or knowingly permit their respective other representatives to, directly or indirectly, (a) continue any solicitation, knowing encouragement, discussions or negotiations with any persons that may be ongoing with respect to an Acquisition Proposal (as defined below) or (b) (i) solicit, initiate or knowingly facilitate or knowingly encourage any inquiries regarding, or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, an Acquisition Proposal, (ii) engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other person any non-public information, or afford access to their business, properties, assets, books or records, in connection with, or for the purpose of soliciting or knowingly encouraging or knowingly facilitating, an Acquisition Proposal or any proposal or offer that could reasonably be expected to lead to an Acquisition Proposal, (iii) enter into any letter of intent, contract, commitment, agreement in principle, acquisition agreement or similar agreement with respect to an Acquisition Proposal, (iv) take any action or exempt any third party from the restriction on "business combinations" or any similar provision contained in applicable takeover laws or the organizational documents of Terns, or grant a waiver under Section 203 of the DGCL or (v) resolve, propose or agree to do any of the foregoing.

Terns and its subsidiaries must also take action so that they and their representatives immediately cease and cause to be terminated any and all existing activities, discussions or negotiations, if any, with any third party with respect to any Acquisition Proposal, or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal. Terns and its subsidiaries were also required to distribute a request as promptly as practicable (and in any event within two business days after the date of the Merger Agreement) to any such third party in possession of confidential information furnished by or on behalf of Terns to return or destroy all such information (and all analyses and other materials prepared by or on behalf of such person that contain, reflect or

analyze that information) in accordance with the applicable confidentiality agreement between Terns and such third party, and (b) promptly (and in any event within one business day after the date of the Merger Agreement) terminate all physical and electronic "data room" or similar access previously granted to any such third parties.

Prior to the Offer Acceptance Time, if Terns or any of its subsidiaries or any of their representatives receives a bona fide written Acquisition Proposal from any person or group of persons in circumstances not involving a material breach of Terns' no-solicitation obligations set forth in the Merger Agreement, which Acquisition Proposal was made or renewed after the execution and delivery of the Merger Agreement, and the Terns Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to lead to a Superior Proposal, and that failure to take the actions described below, as applicable, would be inconsistent with the fiduciary duties of the Terns Board under applicable law, then Terns and its representatives may:

- furnish, pursuant to a customary confidentiality agreement entered into prior to or after the date of the Merger Agreement (and which complies with certain requirements set forth in the Merger Agreement), information (including non-public information) with respect to Terns and its subsidiaries to the person or group of persons who has made such Acquisition Proposal and their representatives (subject to substantially concurrently providing to Parent any such non-public information provided to any such other person to the extent not previously provided to Parent or its representatives); and

- subject to the execution or existence of such confidentiality agreement, engage in or otherwise participate in discussions or negotiations with the person or group of persons making such Acquisition Proposal and the representatives of such person or group of persons.

In addition, during the Pre-Closing Period, Terns must (a) promptly (and in any event within 24 hours) notify Parent in writing if any inquiries, proposals or offers with respect to an Acquisition Proposal or any inquiries, proposals or offers that would reasonably be expected to lead to an Acquisition Proposal are received by Terns or any of its subsidiaries or its or their representatives and provide to Parent a copy of any written Acquisition Proposal (including the identity of the person making such inquiry, proposal or offer, the material terms and conditions thereof and any proposed term sheet, letter of intent, acquisition agreement or similar agreement with respect thereto, to the extent such documents are provided to Terns in connection with such Acquisition Proposal) and (b) keep Parent reasonably informed on a reasonably current basis (and in any event within 24 hours) of the status of and any material developments, discussions or negotiations regarding any Acquisition Proposal (including any material changes to the terms thereof), and reasonably inform Parent of the status of such Acquisition Proposal on a reasonably prompt basis. Terns must promptly provide Parent (and its outside counsel) with copies of material documentation (which will include any proposals or offers) relating to Acquisition Proposals that is exchanged between the person (or its representatives) making such Acquisition Proposal and Terns (or its representatives) within 24 hours after the receipt or delivery thereof.

For purposes of the Merger Agreement:

> "**Acquisition Proposal**" means any proposal or offer from any person (other than Parent and its affiliates) or "group" within the meaning of Section 13(d) of the Exchange Act, relating to, in a single transaction or series of related transactions, any direct or indirect (other than the Transactions):
>
> - acquisition or license of, joint venture, partnership or collaboration with respect to, assets of the Terns equal to 20% or more of Terns' consolidated assets;
> - sale or license by Terns or any of its subsidiaries of (other than non-exclusive and non-material licenses granted in the ordinary course of business), or joint venture, partnership, collaboration or monetization transaction with respect to, TERN-701;
> - issuance or acquisition of 20% or more of the outstanding Shares;
> - tender offer or exchange offer that if consummated would result in any person or group beneficially owning 20% or more of the outstanding Shares; or

- merger, consolidation, amalgamation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving Terns that if consummated would result in any person or group beneficially owning 20% or more of the outstanding Shares or 20% or more of the aggregate voting power of Terns, the surviving entity or the resulting direct or indirect parent of Terns or the surviving entity.

None of the transactions above will be deemed to constitute an Acquisition Proposal if, and only if, such transaction does not relate to TERN-701 in any respect and the negotiation, entry into, consummation or performance of such transaction, and any communications or documents related thereto, would not and would not reasonably be expected to involve the disclosure of any confidential information relating to TERN-701, or to involve the entry into any arrangements affecting TERN-701 in any respect.

"**Superior Proposal**" means a bona fide written Acquisition Proposal made to Terns after the date of the Merger Agreement and that the Terns Board determines, in its good faith judgment, after consultation with Terns' outside legal counsel and financial advisors, is reasonably likely to be consummated in accordance with its terms, taking into account all legal, regulatory, financial and all other aspects of the Acquisition Proposal (including any conditions and expected timing to its consummation, certainty of closing, and the ability of the person making such Acquisition Proposal to consummate it), and if consummated, would result in a transaction more favorable to Terns' stockholders (solely in their capacity as such) from a financial point of view than the Transactions (with references to "20%" in the definition of Acquisition Proposal being deemed to be references to "50%").

Terns Board Recommendation and Changes of Recommendation

As described in this Offer to Purchase, and subject to the provisions described below, the Terns Board unanimously resolved to recommend that stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case, upon the terms and subject to the conditions set forth in the Merger Agreement. The foregoing recommendation is referred to herein as the "**Terns Board Recommendation**." Unless the Terns Board makes an Adverse Recommendation Change (as defined below), the Terns Board also agreed to include the Terns Board Recommendation in the Schedule 14D-9.

Except as described below, during the Pre-Closing Period, neither the Terns Board nor any committee thereof will:

- withhold, withdraw or modify (or publicly propose or resolve to withhold, withdraw or modify) the Terns Board Recommendation;
- approve, recommend or declare advisable, or publicly propose to approve, recommend or declare advisable, any Acquisition Proposal; or
- approve, recommend or declare advisable, or propose to approve, recommend or declare advisable, or allow Terns to execute or enter into any binding or non-binding contract with respect to, any Acquisition Proposal (other than certain confidentiality agreements described above in "—No Solicitation by Terns").

Any action described in the foregoing three bullets is referred to as an "**Adverse Recommendation Change**," except that the issuance of any "stop, look and listen" communication by or on behalf of Terns pursuant to Rule 14d-9(f) promulgated under the Exchange Act will not be considered an Adverse Recommendation Change and will not require complying with the requirements set forth below for circumstances in which Terns may make an Adverse Recommendation Change.

However, notwithstanding the foregoing, at any time prior to the Offer Acceptance Time, if Terns or any of its subsidiaries receives a *bona fide* written Acquisition Proposal from any person in circumstances not involving a

material breach of Terns' no-solicitation obligations set forth in the Merger Agreement, which Acquisition Proposal has not been withdrawn and, after consultation with Terns' financial advisors and outside legal counsel, the Terns Board determines in good faith that such Acquisition Proposal constitutes a Superior Proposal, then (a) the Terns Board may make an Adverse Recommendation Change or (b) Terns may terminate the Merger Agreement in order to enter into a binding written definitive agreement with respect to such Superior Proposal. In order to take any of the actions described in (a) or (b), Terns must comply with the following requirements:

- the Terns Board must have determined in good faith, after consultation with Terns' outside legal counsel, that the failure to take such action would be inconsistent with the fiduciary duties of the Terns Board under applicable law;

- Terns must have given Parent prior written notice of its intention to make an Adverse Recommendation Change or terminate the Merger Agreement at least four business days before taking such action and, if desired by Parent, during such four-business day period Terns must have negotiated in good faith with Parent to enable Parent to prepare in writing a binding proposal to effect revisions to the terms of the Merger Agreement such that it would cause such Superior Proposal to no longer constitute a Superior Proposal; and

- after giving effect to the binding proposals made by Parent during such period, if any, after consultation with Terns' financial advisors and outside legal counsel, the Terns Board must have determined, in good faith, that such Acquisition Proposal continues to constitute a Superior Proposal and that the failure to make the Adverse Recommendation Change or terminate the Merger Agreement would be inconsistent with the fiduciary duties of the Terns Board under applicable law.

The requirements above will apply again to any amendment to the financial terms or any other material amendment to any Acquisition Proposal and will require that a new notice be given to Parent, except that the references to four business days above will be references to two business days.

Additionally, other than in connection with an Acquisition Proposal, the Terns Board may also make an Adverse Recommendation Change at any time prior to the Offer Acceptance Time only if:

- an Intervening Event (as defined below) has occurred;

- in response to such Intervening Event, the Terns Board has determined in good faith, after consultation with Terns' outside legal counsel, that the failure to make an Adverse Recommendation Change would be inconsistent with the fiduciary duties of the Terns Board under applicable law;

- Terns has given Parent prior written notice of its intention to make an Adverse Recommendation Change at least four business days prior to doing so and, if desired by Parent, during such four-business day period Terns has negotiated in good faith with Parent to enable Parent to prepare in writing a binding proposal to effect revisions to the terms of the Merger Agreement such that an Adverse Recommendation Change would no longer be necessary; and

- after giving effect to the binding proposals made by Parent during such period, if any, after consultation with Terns' outside legal counsel, the Terns Board has determined, in good faith, that the failure to make the Adverse Recommendation Change would be inconsistent with the fiduciary duties of the Terns Board under applicable law.

The requirements above will also apply to any material change to the facts and circumstances relating to any Intervening Event and will require that a new notice be given to Parent, except that the references to four business days above will be references to two business days.

For purposes of the Merger Agreement, an "**Intervening Event**" means any event, occurrence, circumstance, change or effect that arises or occurs after the date of the Merger Agreement that (a) was not known or

reasonably foreseeable to the Terns Board as of the date of the Merger Agreement (or, if known by the Terns Board, the consequences of which were not known or reasonably foreseeable by the Terns Board as of the date of the Merger Agreement), (b) does not relate to (i) any Acquisition Proposal or any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal, (ii) any change, in and of itself, in the stock price of Terns or trading volume of the Shares (but the underlying reasons for such change may constitute an Intervening Event), (iii) the fact that, in and of itself, Terns exceeds any internal or published industry analyst projections or forecasts or estimates of revenues or earnings (but the underlying reasons for such fact may constitute an Intervening Event) or (iv) any Regulatory Effect (as defined in "—Section 15—Conditions to the Offer"), and (c) did not primarily result from any breach by Terns of the Merger Agreement.

Efforts to Consummate the Transactions

Parent, Purchaser and Terns have agreed to use their reasonable best efforts to promptly take all steps necessary to consummate and make effective, as promptly as practicable and in any event prior to the End Date, the Transactions and to avoid or eliminate impediments under applicable law that may be asserted by any governmental body or any other party, so as to enable such consummation to occur as promptly as practicable, but in no case later than the End Date.

Parent, Purchaser and Terns will also use reasonable best efforts to make all filings, give all notices and obtain each consent, in each case, required to be made, given or obtained in connection with the Transactions pursuant to any applicable laws or material contract. However, in no event will Parent, Terns or any of their respective subsidiaries be required to (and without the prior written consent of Parent, Terns and its subsidiaries will not), in connection with obtaining any consent in connection with the Transactions, (i) pay or make or commit to pay or make any fee, penalty or other consideration or any other accommodation or (ii) agree to enter into any amendments, supplements or other modifications to (or waivers of) the existing terms of any contract with any party to any contract.

Notwithstanding the above, the Merger Agreement expressly disclaims Parent and its affiliates from any obligation to (and also prohibits Terns and its subsidiaries from, unless otherwise directed by Parent in writing, in which case Terns and its subsidiaries will be required to, to the extent such action that is contingent upon consummation of the Transactions) propose, negotiate, commit to, consent to or undertake any divestiture, sale, license, disposition, or hold separate order with respect to any assets, businesses or any interests or rights in any assets or businesses, of Parent or any of its affiliates or of Terns (or any of its subsidiaries) or the Surviving Corporation, or any change in or restriction on the operation by Parent or any of its affiliates of any assets or businesses (including any assets or businesses of the Surviving Corporation) or any other structural or conduct remedy or relief, or other operational undertakings, in order to obtain clearance from any governmental body. Further, neither party will be required to (i) modify any of the terms of the Merger Agreement or the Transactions or (ii) initiate or participate in any litigation under any antitrust laws with respect to any of the foregoing matters or with respect to any clearance in respect of the Transactions from any governmental body under any antitrust laws, or defend through litigation any claim asserted in any legal proceeding by any party under antitrust laws with respect to the Transactions.

In no event later than April 14, 2026 or such later date as may be mutually agreed by Parent and Terns, the parties will make an appropriate filing of all notification and report forms as required by the HSR Act with respect to the Transactions, as discussed in more detail under "—Section 16—Certain Legal Matters; Regulatory Approvals—U.S. Antitrust."

During the Pre-Closing Period, Parent, Purchaser and Terns will (a) give each other prompt notice of any request, inquiry, investigation, action or legal proceeding brought by a governmental body or a third party with respect to the Transactions, (b) keep each other reasonably informed as to the status of any such request, inquiry, investigation, action or legal proceeding, (c) promptly inform each other of, and give reasonable advance notice of and an opportunity to participate in, any substantive communication to or from the FTC, DOJ or any other

governmental body in connection with any such request, inquiry, investigation, action or legal proceeding, (d) promptly furnish each other, subject to certain confidentiality obligations, copies of certain documents provided to or received from any governmental body in connection with any such request, inquiry, investigation, action or legal proceeding, (e) subject to certain confidentiality obligations, and to the extent reasonably practicable, consult and cooperate with each other and consider in good faith each other's views in connection with any submission made in connection with any such request, inquiry, investigation, action or legal proceeding and (f) except as prohibited by law or by a governmental body, in connection with any such request, inquiry, investigation, action or legal proceeding, give each other reasonable advance notice of, and permit each other's authorized representatives to be present at each meeting or conference relating to such request, inquiry, investigation, action or legal proceeding and to have access to and be consulted in connection with any argument, opinion or proposal made or submitted to any governmental body in connection with such request, inquiry, investigation, action or legal proceeding.

Under the Merger Agreement, and subject to the terms described above, Parent has, after reasonable consultation with Terns, the right to direct, devise, implement and control the strategy, timing, and communications for, and to make all decisions relating to, any required submissions, responses to information requests and filings to any governmental body or other person and with respect to obtaining any consents, orders, authorizations, and waiting period expirations or terminations with respect to the Transactions under any applicable antitrust laws. However, Parent and Purchaser are not permitted to commit to or agree with any governmental body to stay, toll or extend any applicable waiting period, or withdraw any filing under the HSR Act or any other applicable antitrust laws, or enter into any similar timing agreement, without the prior written consent of Terns (except that Parent will have the right to, in its sole discretion, pull and refile its notification and report form under the HSR Act or any other applicable antitrust laws only once).

Employee Benefits

For a period of one year following the Effective Time, Parent will provide, or cause to be provided, to each person who is employed by Terns or any of its subsidiaries as of immediately prior to the Effective Time and who continues to be actively employed by the Surviving Corporation (or any affiliate, including Parent and its affiliates) immediately following the consummation of the Merger (each, a "**Continuing Employee**") with (i) a base salary or wage rate that is no less than that provided to such Continuing Employee immediately prior to the Effective Time, (ii) target annual short-term cash incentive compensation opportunities that are no less favorable than those provided to such Continuing Employee immediately prior to the Effective Time, (iii) severance benefits that are no less favorable than those that would have been provided to such Continuing Employee under the applicable severance benefit plans, programs, policies, agreements and arrangements of Terns and its subsidiaries and (iv) other employee benefits that in the aggregate are no less favorable than those provided to such Continuing Employee immediately prior to the Effective Time (excluding any equity, equity-based, change in control, deferred compensation, retention or severance benefits or any defined benefit retirement or post-retirement welfare benefits).

Parent will cause all Continuing Employees to be eligible to continue to participate in the Surviving Corporation's group health plans other than post-retirement welfare benefits (to the same extent such Continuing Employees were eligible to participate under Terns' group health plans immediately prior to the Effective Time). However, Parent and the Surviving Corporation are not prohibited from amending or terminating any such group health plan at any time, and if Parent or the Surviving Corporation terminates any such group health plan then the Continuing Employees will be eligible to participate in the Surviving Corporation's (or an affiliate's, including Parent's and its affiliates') corresponding group health plan. To the extent that service is relevant for eligibility or vesting under any benefit plan of Parent or the Surviving Corporation, such benefit plan will, for purposes of eligibility, level of benefits and vesting, but not for purposes of benefit accrual (except for vacation and other paid time off and severance or similar pay, as applicable), credit Continuing Employees for service prior to the Effective Time with Terns and its affiliates or their respective predecessors to the same extent that such service was recognized prior to the Effective Time under the corresponding employee benefit plan, but without any need

for such service recognition (i) if it would result in any duplication of benefits for the same period of service and (ii) for any purpose with respect to any deferred compensation, post-retirement welfare benefits or defined benefit plan.

Following the Effective Time, Parent or an affiliate of Parent will use commercially reasonable efforts to (i) waive or cause to be waived any preexisting condition limitations, exclusions, actively-at-work requirements, waiting periods and any other restrictions (other than those with respect to an employee benefit plan of Terns or its affiliates and that were in effect with respect to such employees immediately prior to the Effective Time) applicable to Continuing Employees and their eligible dependents under any plan of Parent or an affiliate that provides health benefits in which Continuing Employees (and their eligible dependents) are eligible to participate following the Effective Time, (ii) recognize the full dollar amount of any deductibles, co-payments, out-of-pocket maximums and similar expenses incurred by the Continuing Employees and their eligible dependents under the health plans in which they participated immediately prior to transitioning into a plan of Parent or an affiliate during the portion of the plan year prior to such transition and (iii) waive, or cause to be waived, any previously satisfied waiting period limitation or evidence of insurability requirement that would otherwise be applicable to a Continuing Employee and his or her eligible dependents on or after the Effective Time, to the extent such limitation or requirement had been satisfied under an analogous employee benefit plan of Terns or its affiliates prior to the Effective Time.

For each Continuing Employee who is eligible to receive an annual bonus for Terns' fiscal year in which the Merger occurs, Parent will, and will cause the Surviving Corporation to, pay such Continuing Employee a bonus payment pursuant to the terms and conditions of the applicable bonus plan of Terns in effect as of immediately prior to the Effective Time, which bonus will be calculated based on actual levels of performance (as determined by Parent in good faith in accordance with the terms of such plan, but assuming achievement at 100% of target in the event performance cannot be reasonably determined for corporate or individual goals).

Unless otherwise requested in writing by Parent at least ten business days prior to the expected date of the Merger, no later than one day prior to the Effective Time, the Terns Board (or the appropriate committee thereof) will take actions necessary to terminate any 401(k) plan of Terns or its subsidiaries, effective as of the day prior to the Merger and contingent upon the occurrence of the Effective Time.

The Merger Agreement does not confer upon any person (other than Terns, Parent and Purchaser) any rights with respect to the provisions summarized above pertaining to employee matters. Nothing in the Merger Agreement creates any right in any person to employment with Parent, the Surviving Corporation, or any other affiliate of the Surviving Corporation or to any compensation or benefits following the Effective Time. Nothing in the Merger Agreement prohibits Parent or the Surviving Corporation or their affiliates from amending or terminating any employee benefit plan, or requires Parent or the Surviving Corporation or their affiliates to keep any individual employed for any period of time.

Director and Officer Indemnification and Insurance

The Merger Agreement provides that all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time (whether asserted or claimed prior to, at or after the Effective Time) in favor of the current or former directors or officers of Terns or its subsidiaries and any indemnification or other similar agreements in effect on the date of the Merger Agreement will continue in full force and effect in accordance with their terms. Parent will cause Terns and its subsidiaries to perform their obligations under such arrangements for a period of six years from the Effective Time. During the period commencing at the Effective Time and ending on the sixth anniversary of the Effective Time, to the fullest extent permitted under applicable law, Parent will cause Terns and its subsidiaries to indemnify and hold harmless each individual who was or is as of the date of the Merger Agreement, or who becomes prior to the Effective Time, a director or officer of Terns or any of its subsidiaries, or who was or is as of the date of the Merger Agreement, or who thereafter commences prior to the Effective Time, serving at their request as a

director, officer, trustee, fiduciary or another representative of another person (including any employee benefit plan), against all claims, losses, liabilities, damages, judgments, inquiries, fines and fees, costs and expenses (including reasonable attorneys' fees and disbursements) incurred in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including with respect to matters existing or occurring at or prior to the Effective Time, including the Merger Agreement and the transactions and actions contemplated thereby), arising out of or pertaining to the fact that such person served in such capacity as described above, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under applicable law.

Further, for a period of six years from and after the Effective Time, the Surviving Corporation will, and Parent will cause the Surviving Corporation, to maintain in effect the current policies of directors' and officers', employment practices and fiduciary liability insurance maintained by or for the benefit of Terns and its subsidiaries as of the date of the Merger Agreement, or cause to provide substitute policies, in either case, of not less than the existing coverage and having other terms not less favorable to the insured persons than such insurance coverage currently maintained by or for the benefit of Terns and its subsidiaries with respect to claims arising from facts or events that occur at or before the Effective Time (with insurance carriers having at least an "A-" rating by A.M. Best with respect to directors' and officers', employment practices and fiduciary liability insurance). The Surviving Corporation will not be required to expend in any one year an aggregate amount in excess of 300% of the annual premium currently payable by Terns with respect to such current policies, but Parent must cause the Surviving Corporation to obtain such policies with the greatest coverage available for a cost that does not exceed such maximum amount. Instead of maintaining any such insurance, and in satisfaction of the foregoing obligations to maintain insurance, prior to the consummation of the Merger, Terns may or, if requested by Parent, will use commercially reasonable efforts to purchase a "tail" directors' and officers', employment practices and fiduciary liability insurance policy for itself and its subsidiaries and their current and former directors and officers who are currently covered by such insurance maintained by or for the benefit of Terns and its subsidiaries, which "tail" policy will be for an aggregate premium amount not exceeding the maximum amount described in the last sentence, but must provide for the greatest coverage available for a cost that does not exceed such maximum amount, such tail to provide coverage in an amount not less than the existing coverage and to have other terms not less favorable to the insured persons than the directors' and officers', employment practices and fiduciary liability insurance coverage currently maintained by or for the benefit of Terns and its subsidiaries with respect to claims arising from facts or events that occurred at or before the Effective Time, covering without limitation the Transactions.

Healthcare Regulatory Matters

During the Pre-Closing Period, subject to applicable laws, Terns will provide Parent with advance notice of any material meetings or scheduled videoconferences or calls that Terns has with the Food & Drug Administration (the "**FDA**") or any other governmental body performing functions similar to those performed by the FDA (each, a "**Healthcare Regulatory Authority**") or any advisory committee thereof, and to the extent practicable (a) if not prohibited from doing so, provide Parent the opportunity to attend or participate in any such meeting or substantive conversation with any such Healthcare Regulatory Authority or advisory committee and (b) prior to attending any such meeting or scheduled videoconference or call, consult with, and cause its representatives to consult with, Parent and consider in good faith the views and comments of Parent.

In addition, during the Pre-Closing Period, Terns will also promptly (i) notify Parent of any substantive notice or other substantive communication to Terns from any Healthcare Regulatory Authority or any advisory committee thereof; (ii) provide Parent with notice and the opportunity to consult with Terns with respect to any substantive notice, submission or response or other substantive communication to any Healthcare Regulatory Authority or any advisory committee thereof, and consider in good faith any comments or other input timely provided by Parent; and (iii) furnish Parent with non-confidential copies of all substantive correspondence, filings and written communications between Terns on one hand, and any such Healthcare Regulatory Authority or its staff on the other hand.

Stockholder Litigation

Terns has agreed to give Parent the right to review and comment on all filings or responses to be made by Terns in connection with any legal proceeding against Terns or its directors or officers relating to the Transactions, and the right to consult on any settlement with respect to such legal proceeding. No such settlement will be agreed to by Terns without Parent's prior written consent. Terns must promptly notify Parent of any such legal proceeding or any claim or demand that would reasonably be expected to result in any such legal proceeding, and keep Parent reasonably and promptly informed with respect to the status thereof.

Other Covenants

The Merger Agreement also contains certain additional covenants and obligations of the parties, including that:

- subject to customary exceptions and limitations and at Parent's expense, Terns must provide Parent and its representatives with reasonable access during normal business hours to Terns' designated representatives, assets, books, records, documents and information;
- certain public statements of the parties in respect of the Transactions are subject to consent or review and consultation with the other party;
- there are certain notification requirements applicable to each of Terns and Parent as it relates to the occurrence of certain material events;
- Parent and Terns must use reasonable best efforts to grant approvals and take actions as are necessary to eliminate the effect of takeover statutes on any of the Transactions;
- Terns and the Terns Board must take appropriate action to approve the disposition and cancellation or deemed disposition and cancellation of Shares, Terns Warrants, Terns Options and Terns RSUs in the Merger in order to cause such dispositions and/or cancellations to be exempt under Rule 16b-3 promulgated under the Exchange Act;
- the approval by the compensation committee of the Terns Board must approve each agreement, arrangement or understanding between Purchaser, Terns or their respective affiliates, on one hand, and any of the officers, directors or employees of Terns or any of its subsidiaries, on the other hand, for purposes of Rule 14d-10(d)(2) under the Exchange Act; and
- Terns must cooperate with Parent and use reasonable best efforts to take actions to enable the delisting of the Shares from Nasdaq and the deregistration of the Shares under the Exchange Act as promptly as practicable after the Effective Time.

Conditions to the Offer

See "—Section 15—Conditions to the Offer."

Conditions to the Merger

The obligations of each party to consummate the Merger are subject to the satisfaction of the following conditions:

- the absence of (i) any order, judgment, writ, award, decision, decree, injunction or ruling of any governmental body of competent jurisdiction (whether temporary, preliminary or permanent) that is binding on any person or its property under applicable law which prohibits or makes illegal the consummation of the Merger, and (ii) any laws which prohibit or make illegal the consummation of the Merger; and
- Purchaser (or Parent on Purchaser's behalf) having accepted for payment all of the Shares validly tendered pursuant to the Offer and not validly withdrawn.

Termination of the Merger Agreement

The Merger Agreement may be terminated under any of the following circumstances:

- by mutual written consent of Parent and Terns at any time prior to the Offer Acceptance Time;

- by either Parent or Terns, if the Offer Acceptance Time has not occurred on or prior to 11:59 p.m., Eastern Time, on September 24, 2026 (such date and time, the "**End Date**" and such termination, an "**End Date Termination**"), which End Date will be automatically extended up to twice, first to December 24, 2026, and then second to March 24, 2027, in each case if, on the applicable End Date before such extension, all of the Offer Conditions (other than the HSR Clearance Condition and, if in respect of any antitrust law, the No Restraints Condition) have been satisfied or waived, to the extent waivable, by Parent or Purchaser (other than conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied). However, the right to terminate the Merger Agreement pursuant to an End Date Termination cannot be exercised by any party whose breach of the Merger Agreement has primarily caused or primarily resulted in the Offer not being consummated by such the applicable End Date;
- by either Parent or Terns, at any time prior to the Offer Acceptance Time, if any law, order, judgment, writ, award, decision, decree, injunction or ruling of any governmental body of competent jurisdiction having the effect of permanently prohibiting or making illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger is in effect and is final and nonappealable (a "**Legal Restraint Termination**"). However, the right to terminate the Merger Agreement pursuant to a Legal Restraint Termination cannot be exercised by any party whose breach of the Merger Agreement has primarily caused or primarily resulted in the issuance, promulgation or enactment of such law, order, judgment, writ, award, decision, decree, injunction or ruling;
- by Parent, at any time prior to the Offer Acceptance Time, if the Terns Board (i) fails to include the Terns Board Recommendation in the Schedule 14D-9 both when filed with the SEC and when disseminated to Terns' stockholders, (ii) effects an Adverse Recommendation Change, (iii) fails to publicly reaffirm the Terns Board Recommendation within ten business days after Parent so requests in writing (which obligation to make such reaffirmation will not apply on more than two occasions with respect to any Acquisition Proposal) or (iv) fails to recommend against acceptance of a tender or exchange offer made to Terns' stockholders pursuant to Rule 14d-2 under the Exchange Act for outstanding Shares, no later than 5:30 p.m., Eastern Time, on the tenth business day after the commencement of such tender offer or exchange offer (a "**Change in Recommendation Termination**");
- by Terns, at any time prior to the Offer Acceptance Time, in order to accept a Superior Proposal in accordance with the Merger Agreement and enter into a binding written definitive agreement with respect thereto immediately following such termination (a "**Superior Proposal Termination**"). However, the right to terminate the Merger Agreement pursuant to a Superior Proposal Termination can only be exercised by Terns if (a) Terns has not materially breached the requirements described under "—No Solicitation by Terns" and "—Terns Board Recommendation and Changes of Recommendation" with respect to such Superior Proposal and any Acquisition Proposal that was a precursor thereto and (b) Terns pays the Company Termination Fee (as defined and in accordance with the procedures described below);
- by Parent, at any time prior to the Offer Acceptance Time, if Terns breaches any representation or warranty of Terns contained in the Merger Agreement or fails to perform any covenant or obligation in the Merger Agreement such that the Representations Condition or the Obligations Condition would not be satisfied and such breach or failure cannot be cured by Terns by the End Date, or if capable of being cured in such time period, is not cured within 30 days of the date Parent gives Terns written notice of such breach or failure to perform (a "**Terns Breach Termination**"). However, the right to terminate the Merger Agreement pursuant to a Terns Breach Termination cannot be exercised by Parent if either Parent or Purchaser is then in breach of any of its respective representations, warranties, covenants or obligations such that Terns would be permitted to terminate the Merger Agreement pursuant to a Parent Breach Termination (as defined below) (without regard to the cure period applicable to such Parent Breach Termination);
- by Terns, at any time prior to the Offer Acceptance Time, if Parent or Purchaser breaches any representation or warranty of Parent or Purchaser contained in the Merger Agreement or fails to perform any covenant or obligation in the Merger Agreement, in each case, if such breach or failure would reasonably be expected to prevent Parent or Purchaser from consummating the Transactions and such breach or failure cannot be cured

by Parent or Purchaser, as applicable, by the End Date, or, if capable of being cured in such time period, is not cured within 30 days of the date Terns gives Parent written notice of such breach or failure to perform (a "**Parent Breach Termination**"). However, the right to terminate the Merger Agreement pursuant to a Parent Breach Termination cannot be exercised by Terns if Terns is then in breach of any of its respective representations, warranties, covenants or obligations and such breach would give rise to a failure of the Representations Condition or the Obligations Condition (if such condition were tested as of the date of such breach instead of as of the Offer Acceptance Time)

- by Terns, if all of the Offer Conditions are satisfied or waived as of the Expiration Time and, following the expiration of the Offer, Purchaser fails to accept for payment all Shares validly tendered (and not validly withdrawn) pursuant to the Offer in accordance with the terms of the Merger Agreement. However, the right to terminate the Merger Agreement cannot be exercised by Terns if the failure of Purchaser to so accept all Shares validly tendered (and not validly withdrawn) as of the expiration or termination of the Offer is primarily attributable to the failure on the part of Terns to perform in any material respect any covenant or obligation required to be performed by Terns under the Merger Agreement for such acceptance for all Shares; or
- by either Parent or Terns, if all of the Offer Conditions (other than solely the Minimum Condition and those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied) are satisfied or waived (to the extent waivable) as of the applicable Expiration Time and the Offer has expired pursuant to its terms (after any extensions made in accordance with the Merger Agreement) without acceptance for payment of the Shares validly tendered (and not properly withdrawn) in the Offer by virtue of the Minimum Condition not having been satisfied (a "**Minimum Condition Termination**"). However, the right to terminate the Merger Agreement pursuant to a Minimum Condition Termination cannot be exercised by any party whose breach of the Merger Agreement has primarily caused or primarily resulted in the failure of the Offer Acceptance Time to occur on or before the date of termination.

Effect of Termination of the Merger Agreement

To effect a termination of the Merger Agreement, a party must provide the other party or parties written notice of such termination specifying the provision of the Merger Agreement pursuant to which such termination is made. If the Merger Agreement is terminated pursuant to its terms, it will be of no further force or effect and there will be no liability on the part of Parent, Purchaser or Terns or any of their respective former, current or future officers, directors, partners, stockholders, managers, members or affiliates following any such termination, except that (i) certain specified provisions of the Merger Agreement, as well as the Confidentiality Agreement (as defined and described below), will survive such termination, including the provisions described in "—Termination Fees" below, and (ii) no such termination will relieve any party from any liability for fraud or willful breach of the Merger Agreement prior to termination.

Termination Fees

Terns will pay Parent or its designee a termination fee of $235,000,000 in cash (the "**Company Termination Fee**") in the following circumstances, and in each case by wire transfer of same day funds on the terms respectively described below:

- the Merger Agreement is terminated by Terns pursuant to a Superior Proposal Termination, in which case the Company Termination Fee will be paid on the date that the binding written definitive agreement with respect to a Superior Proposal is executed and immediately after such execution (or if such agreement is executed on a day that is not a business day, the next business day);
- the Merger Agreement is terminated by Parent pursuant to a Change in Recommendation Termination, in which case the Company Termination Fee will be paid within three business days after such termination; or
- if each of the following conditions is satisfied, in which case the Company Termination Fee will be paid on the date that the relevant Acquisition Proposal is consummated or the definitive agreement with respect thereto is

executed, whichever occurs first (or if such consummation or execution, as the case may be, occurs on a day that is not a business day, the next business day):

- the Merger Agreement is terminated (a) by Parent or Terns pursuant to an End Date Termination (except (i) where the HSR Clearance Condition or, if in respect of any antitrust law, the No Restraints Condition has not been satisfied or (ii) in the case of a termination by Terns, if at such time Parent would be prohibited from terminating the Merger Agreement pursuant to an End Date Termination); (b) by Parent or Terns pursuant to a Minimum Condition Termination (except, in the case of a termination by Terns, if at such time Parent would be prohibited from terminating the Merger Agreement pursuant to a Minimum Condition Termination); or (c) by Parent pursuant to a Terns Breach Termination;
- any person has publicly disclosed a bona fide Acquisition Proposal after the date of the Merger Agreement and prior to such termination and such Acquisition Proposal has not been publicly withdrawn prior to such termination; and
- within 12 months of such termination Terns either consummates an Acquisition Proposal or enters into a definitive agreement with respect to an Acquisition Proposal (whether or not such Acquisition Proposal is consummated), with the references to "20%" in the definition of "Acquisition Proposal" being instead references to "50%".

Parent will pay Terns or its designee a termination fee of $270,000,000 in cash (the "**Parent Termination Fee**") by wire transfer of same day funds, in the event that (i) the Merger Agreement is terminated by either Terns or Parent pursuant to an End Date Termination or Legal Restraint Termination (in each such case of a termination by Parent, if at such time Terns would have the right to terminate the Merger Agreement pursuant to an End Date Termination or Legal Restraint Termination, as the case may be) and (ii) all of the Offer Conditions have been satisfied (or, with respect to any such Offer Conditions that are by their nature to be satisfied at the Expiration Time, satisfied as if the Expiration Time had occurred on such date of termination) or waived, other than any of the Minimum Condition, the Certificate Condition (as defined below), the HSR Clearance Condition and, if in respect of any restraints under the HSR Act or any antitrust law, the No Restraints Condition. The Parent Termination Fee will be paid within three business days after the applicable termination of the Merger Agreement.

Terns will not be required to pay the Company Termination Fee more than once, and Parent will not be required to pay the Parent Termination Fee more than once. If Terns or Parent, as applicable, fails to timely pay the Company Termination Fee or Parent Termination Fee, respectively, due pursuant to the Merger Agreement, and in order to obtain the payment, Parent or Terns, as applicable, commences a legal proceeding which results in a judgment against Terns or Parent, as applicable, then such losing party will pay such other party's reasonable and documented costs and expenses (including reasonable and documented attorneys' fees) in connection with such suit, together with interest on such amount at the prime rate as published in the Wall Street Journal in effect on the date such payment was required to be made through the date such payment was actually received.

In the event of receipt by a party or its designee of the full payment of the Company Termination Fee or Parent Termination Fee, as the case may be, (i) such receipt will be deemed to be liquidated damages for any and all losses or damages suffered or incurred by the recipient party, any of its affiliates or any other person in connection with the Merger Agreement (and the termination thereof), the Transactions (and the abandonment thereof) or any matter forming the basis for such termination, and (ii) such payment will be the sole and exclusive remedy of such recipient party and any of its affiliates against the other party and any of such other party's subsidiaries and its and their respective former, current or future officers, directors, partners, stockholders, equityholders, managers, members or affiliates for any loss suffered as a result of the failure of the Offer or the Merger to be consummated or for a breach or failure to perform under the Merger Agreement or otherwise, all of whom will have no further liability or obligation relating to or arising out of the Merger Agreement or the Transactions upon such payment, except in the case of fraud or willful breach of the Merger Agreement prior to such termination.

Fees and Expenses

Except as expressly specified in the Merger Agreement, all fees and expenses incurred in connection with the Merger Agreement and the Transactions will be paid by the party incurring such fees or expenses, whether or not the Offer and the Merger are consummated.

Amendments

Prior to the Offer Acceptance Time, the Merger Agreement may be amended by a written instrument signed on behalf Parent, Purchaser and Terns, subject to applicable approval and authorization requirements, including approval of the Terns Board in the case of Terns. The Merger Agreement cannot be amended or supplemented following the Offer Acceptance Time.

Specific Performance

Parent, Purchaser and Terns have agreed that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the parties do not perform their obligations under the Merger Agreement in accordance with its specified terms or if they otherwise breach its provisions; and that, accordingly, each party will be entitled to an injunction or injunctions, specific performance, or other equitable relief, to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement, without proof of damages or requirement to post a bond or other security or otherwise, in addition to any other remedy to which they are entitled under the terms of the Merger Agreement.

Governing Law

The Merger Agreement is governed by and will be construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws.

Other Agreements

The Confidentiality Agreement

Parent and Terns entered into a mutual confidential disclosure agreement, effective September 28, 2023, and as amended by Amendment No. 1 dated July 28, 2025, Amendment No. 2 dated December 22, 2025, and Amendment No. 3 effective as of February 6, 2026 (as amended, the "**Confidentiality Agreement**"). Under the terms of the Confidentiality Agreement, as amended, Parent and Terns agreed that, subject to certain exceptions including the ability to make disclosures required by applicable law, any proprietary and non-public information each may make available to the other and their respective representatives with respect to Terns and its subsidiaries and their business and assets, and Parent's interest therein, will not be disclosed or used for any purpose other than in connection with the parties' evaluation of a potential business relationship or with exploring, negotiating and consummating a potential acquisition of Terns or any of its subsidiaries by Parent or Parent's affiliates. The Confidentiality Agreement also includes customary standstill restrictions that terminate upon the occurrence of, among other things, Terns' execution of a definitive agreement with a third party to acquire more than 50% of its outstanding voting securities. The Confidentiality Agreement does not restrict Parent from making confidential acquisition proposals to Terns' Chief Executive Officer or the Terns Board, and does not include "don't ask, don't waive" or similar provisions prohibiting Parent from requesting that the Terns Board release it from its standstill obligations.

The foregoing summary description of the Confidentiality Agreement is only a summary and is qualified by reference to the Confidentiality Agreement, which is filed as Exhibits (d)(2), (d)(3), (d)(4) and (d)(5) to the Schedule TO herewith and incorporated herein by reference.

14. Dividends and Distributions

The Merger Agreement provides that during the Pre-Closing Period, except (a) as required or permitted under the Merger Agreement, applicable laws or to comply with certain material contracts, (b) with the prior written

consent of Parent or (c) for certain customary exceptions or actions agreed between Parent and Terns and either set forth in the Merger Agreement or described in the Disclosure Letter, Terns will not, and will cause each of its subsidiaries not to, establish a record date for, declare, set aside or pay any dividend or make any other distribution in respect of any shares of capital stock (including the Shares) or other equity interests or voting interests.

15. Conditions to the Offer

Purchaser will not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Exchange Act, pay for any Shares validly tendered pursuant to the Offer at any scheduled Expiration Time, if any of the conditions set forth below is not satisfied or waived in writing by Parent and Purchaser (to the extent waivable by Parent and Purchaser) as of the Expiration Time:

- the number of Shares validly tendered (and not validly withdrawn), considered together with all other Shares (if any) owned by Parent and its affiliates (but excluding Shares that have not yet been "received," as defined by Section 251(h)(6) of the DGCL), would represent one more Share than 50% of the total number of Shares issued and outstanding as of immediately following the consummation of the Offer (the "**Minimum Condition**");
- the representations and warranties of Terns as set forth:
    - in the first two sentences of Section 3.1(a) (*Organization; Subsidiaries*) and in Section 3.2 (*Authority; Binding Nature of Agreement*), Section 3.3(a)(i) (*Non-Contravention; Consents*), the portions of Section 3.4 (*Capitalization*) not addressed by the third sub-bullet below, Section 3.22 (*Takeover Laws*) and Section 3.24 (*Brokers and Other Advisors*) of the Merger Agreement being accurate (a) in all respects, to the extent any such representations and warranties are qualified by "Material Adverse Effect" (as defined below) or "materiality" qualifications in the text thereof and (b) otherwise, in all material respects, in each case as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time (except to the extent any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties need only be so accurate as of such date);
    - in Section 3.6(b) (*No Material Adverse Effect*) of the Merger Agreement being accurate in all respects as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time;
    - in the first sentence of Section 3.4(a) (*Capitalization*), in the first and second sentences of Section 3.4(d) (*Capitalization*) and in Section 3.4(f) (*Capitalization*) of the Merger Agreement being accurate in all respects, except for de minimis inaccuracies, as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time (except to the extent any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties need only be so accurate as of such date); and
    - in the Merger Agreement (other than those referred to in the three sub-bullets above) being accurate (without taking into account any "Material Adverse Effect" and "materiality" qualifications contained in such representations and warranties), as of the date of the Merger Agreement and as of the Expiration Time as if made on and as of the Expiration Time (except to the extent any such representation or warranty expressly relates to an earlier date, in which case such representations and warranties need only be so accurate as of such date), except where the failure of such representations and warranties to be so accurate would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (the conditions in this sub-bullet and the three foregoing sub-bullets, collectively, the "**Representations Condition**");
- Terns having complied with or performed in all material respects the covenants and agreements it is required to comply with or perform at or prior to the Expiration Time (or any failure to comply or perform having been cured by such time) (the "**Obligations Condition**");
- since the execution and delivery of the Merger Agreement, there not having occurred a Material Adverse Effect which is continuing as of the Expiration Time (the "**No MAE Condition**");

- Parent and Purchaser having received a certificate executed on behalf of Terns by Terns' Chief Executive Officer or Chief Financial Officer confirming that the Representations Condition, the Obligations Condition and the No MAE Condition have been satisfied (the "**Certificate Condition**");
- any waiting period or extension thereof applicable to the Offer under the HSR Act having expired or been terminated and there not being in effect any voluntary agreement between Parent and Terns, on the one hand, and the FTC or DOJ, on the other hand, pursuant to which Parent and Terns have agreed not to consummate the Offer or the Merger (together, the "**HSR Clearance Condition**");
- there not having been issued by any governmental body of competent jurisdiction and remaining in effect any order, judgment, writ, award, decision, decree, injunction or ruling (whether temporary, preliminary or permanent) that is binding under applicable law and which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger, and there not having been any law promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body which remains in effect and which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger (together, the "**No Restraints Condition**"); and
- the Merger Agreement not having been terminated in accordance with its terms (the "**Termination Condition**").

The Offer is not subject to any financing condition. The foregoing conditions are in addition to, and not a limitation of, the rights of Parent and Purchaser to extend, terminate or modify the Offer pursuant to the terms of the Merger Agreement, as described above under "—Section 1—Terms of the Offer." The foregoing conditions are for the sole benefit of Parent and Purchaser. Except for the Minimum Condition, the Termination Condition, the HSR Clearance Condition and the No Restraints Condition, the foregoing conditions may be waived by Parent or Purchaser in whole or in part in the sole discretion of Parent or Purchaser, to the extent permitted under applicable law. If Parent or Purchaser waives a material condition to the Offer, it will extend the Offer and disseminate additional tender offer materials, in each case, to the extent required by applicable law.

A "**Material Adverse Effect**" means any event, occurrence, circumstance, change or effect which has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, assets, financial condition or results of operations of Terns and its subsidiaries, taken as a whole; but none of the following will be deemed to constitute or be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect:

(a) any change in the market price or trading volume of the Shares or change in Terns' credit ratings (but the underlying causes of any such change may be considered in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect to the extent not otherwise excluded);

(b) any event, occurrence, circumstance, change or effect resulting from the announcement, pendency or performance of the Transactions (other than for purposes of certain representations and warranties in the Merger Agreement pertaining to such matters and the portion of the Representations Condition relating to such representations and warranties);

(c) any event, occurrence, circumstance, change or effect generally affecting the industries in which Terns and its subsidiaries operate or in the economy generally or other general business, financial or market conditions;

(d) only to the extent not involving (A) any action taken (or the failure to take any action) by or at the direction of Terns constituting common law fraud or a violation of applicable law, (B) any willful or material failure on the part of Terns to comply with the then-approved clinical protocol for the development of TERN-701 or (C) any governmental body issuing to Terns any order that imposes a clinical hold on the development of TERN-701, the result of which would reasonably be likely to result in a termination of, or a delay of 12 months or longer in dosing patients in, any clinical trials of TERN-701: (i) any regulatory, health, safety, preclinical, clinical, manufacturing or supply chain event, occurrence, circumstance, change or effect (or announcement thereof), in each case, relating to or affecting any product or product candidate of the Terns or its subsidiaries or

of any of their competitors, including any results, outcomes or data (including results or data based on adverse events) arising from preclinical or clinical development of such products or product candidates and any manufacturing or supply chain disruptions or delays affecting any such product or product candidate, or (ii) any event, occurrence, circumstance, change or effect relating to pricing, reimbursement, coverage or payor rules, market entry, or threatened market entry, in each case, with respect to any product or product candidate of Terns or its subsidiaries or of any of their competitors (the events, occurrences, circumstances, changes or effects set forth in subclauses (i) and (ii) of this clause (d), "**Regulatory Effects**");

(e) any event, occurrence, circumstance, change or effect arising directly or indirectly from or otherwise relating to fluctuations in the value of any currency or interest rates;

(f) any event, occurrence, circumstance, change or effect arising directly or indirectly from or otherwise relating to any act of terrorism, war, national or international calamity, natural disaster, act of god, epidemic, pandemic, trade war, tariff or any other similar event;

(g) the failure of Terns to meet internal or analysts' expectations or projections (but the underlying causes of such failure may be considered in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect to the extent not otherwise excluded);

(h) any adverse effect arising from any action taken by Terns at the written direction of Parent or any action specifically required to be taken by Terns under the Merger Agreement, or the failure of Terns to take any action that it is specifically prohibited by the terms of the Merger Agreement from taking to the extent Parent has unreasonably withheld its consent thereto after a written request for such consent pursuant to the Merger Agreement;

(i) any event, occurrence, circumstance, change or effect resulting or arising from the identity of, or any facts or circumstances relating to, Parent, Purchaser or any of their respective affiliates; or

(j) any event, occurrence, circumstance, change or effect arising directly or indirectly from or otherwise relating to any change in any law or GAAP (or interpretations of any law or GAAP) after the date of the Merger Agreement.

Any event, occurrence, circumstance or effect referred to in the foregoing clauses (c), (e), (f) and (j) may be taken into account in determining whether there has been, or would reasonably be expected to be, a Material Adverse Effect solely to the extent such event, occurrence, circumstance, change or effect disproportionately affects Terns and its subsidiaries relative to other participants in the industries in which they operate (in which case, solely such disproportionate adverse effect may be so taken into account).

16. Certain Legal Matters; Regulatory Approvals

General

Based on our examination of publicly available information filed by Terns with the SEC and a review of certain information furnished by Terns to Purchaser, we are not aware of any governmental license or regulatory permit that appears to be material to Terns' business that might be adversely affected by our acquisition of Shares pursuant to the Offer or, except as set forth below, of any approval or other action by any government or governmental authority or agency, domestic, foreign or super national, that would be required for our acquisition or ownership of Shares pursuant to the Offer. Should any such approval or other action be required or desirable, we currently contemplate that such approval or other action will be sought. Except as described below, there is no current intent to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such matter. We are unable to predict whether we will determine that we are required to delay the acceptance for payment of or payment for Shares tendered pursuant to the Offer pending the outcome of any approval or other

action not described below. There can be no assurance that any such approval or other action, if needed, would be obtained (with or without substantial conditions) or that if such approvals were not obtained or such other actions were not taken adverse consequences might not result to Terns' business or certain parts of Terns' business might not have to be disposed of, any of which could cause Purchaser to elect to terminate the Offer without the purchase of Shares thereunder. Our obligation under the Offer to accept for payment and pay for Shares is subject to the conditions set forth in "—Section 15—Conditions to the Offer."

State Takeover Statutes

As a Delaware corporation, Terns is subject to Section 203 of the DGCL. In general, Section 203 of the DGCL prevents a Delaware corporation from engaging in a "business combination" (defined to include mergers and certain other actions) with an "interested stockholder" (including a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock) for a period of three years following the date such person became an "interested stockholder" unless, among other things, the "business combination" is approved by the board of directors of such corporation before such person became an "interested stockholder." Parent and Purchaser have represented and warranted to Terns in the Merger Agreement that neither Parent nor Purchaser is, or during the three years prior to the date of the Merger Agreement has been, an "interested stockholder" of Terns as defined in Section 203 of the DGCL. Terns has represented to Purchaser in the Merger Agreement that, assuming the accuracy of certain representations and warranties made by Parent and Purchaser, the Terns Board has taken and will take all actions so that the restrictions contained in Section 203 of the DGCL or any other similar takeover laws are inapplicable to the execution, delivery and performance of the Merger Agreement and to the consummation of the Offer, the Merger and the other Transactions.

In addition to Section 203 of the DGCL, a number of other states have adopted laws which purport, to varying degrees, to apply to attempts to acquire corporations that are incorporated in, or which have substantial assets, stockholders, principal executive offices or principal places of business or whose business operations otherwise have substantial economic effects in, such states. Terns conducts business in a number of states throughout the United States, some of which may have enacted such laws. Except as described herein, we do not know whether any of these laws will, by their terms, apply to the Offer or the Merger, and we have not attempted to comply with any such laws. To the extent that certain provisions of these laws purport to apply to the Offer or the Merger, we believe that there are reasonable bases for contesting the application of such laws. If any such takeover law becomes, or purports to be, applicable to the Transactions, each of Parent and Terns and the members of their respective boards of directors will use their respective reasonable best efforts to grant such approvals and take such actions as are necessary so that the Transactions may be consummated as promptly as practicable on the terms and conditions contemplated in the Merger Agreement and otherwise act to lawfully eliminate the effect of any takeover law on any of the Transactions.

If any government official or third party seeks to apply any state takeover law to the Offer or the Merger, we will take such action as then appears desirable, which action may include challenging the applicability or validity of such statute in appropriate court proceedings. If it is asserted that one or more state takeover statutes is applicable to the Offer or the Merger and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, we may be required to file certain information with, or to receive approvals from, the relevant state authorities or holders of Shares, and we may be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer or the Merger. In such case, we may not be obligated to accept for payment or pay for any tendered Shares. See "—Section 15—Conditions to the Offer."

U.S. Antitrust

Under the HSR Act and the rules that have been promulgated thereunder, certain acquisition transactions may not be consummated unless Premerger Notification and Report Forms have been filed with the FTC and the Antitrust Division of the DOJ (the "**Antitrust Division**") and certain waiting period requirements have been satisfied. The purchase of Shares pursuant to the Offer and the Merger is subject to such requirements.

Each of Parent and Terns will promptly, and no later than April 14, 2026, file with the Antitrust Division and the FTC a Premerger Notification and Report Form under the HSR Act with respect to the Offer and the Merger. The waiting period applicable to the purchase of Shares pursuant to the Offer will expire 15 calendar days following the filing of the Premerger Notification and Report Form, but this period may change if the FTC and the Antitrust Division exercise their discretion to terminate the waiting period early or if Parent voluntarily withdraws and refiles its Premerger Notification and Report Form in order to restart the 15-calendar day waiting period (which it may do in its sole discretion only once and thereafter only with the written consent of Terns), or if the reviewing agency issues a formal request for additional information and documentary material. If such a request is made, the waiting period will be extended until 11:59 p.m., Eastern Time, ten calendar days after substantial compliance with such request. Thereafter, Parent and Terns will be free to complete the Offer and the Merger unless otherwise agreed with the reviewing agency or doing so would be prohibited by court order. See "—Section 15—Conditions to the Offer" for certain conditions to the Offer, including conditions with respect to certain governmental actions and "—Section 13—The Transaction Documents—The Merger Agreement—Termination of the Merger Agreement" for certain termination rights pursuant to the Merger Agreement with respect to certain governmental actions.

Regulatory Undertakings

See "—Section 13—The Transaction Documents—Efforts to Consummate the Transactions."

17. Fees and Expenses

We have retained Innisfree M&A Incorporated to act as the Information Agent and Computershare Trust Company, N.A. to act as the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone and personal interviews and may request brokers, dealers, commercial banks, trust companies and other nominees to forward materials relating to the Offer to beneficial owners. The Information Agent and the Depositary each will receive reasonable and customary compensation for their respective services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the U.S. federal securities laws.

We will not pay any fees or commissions to any broker or dealer or any other person (other than the Information Agent and the Depositary) for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks, trust companies and other nominees will, upon request, be reimbursed by Purchaser for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

18. Miscellaneous

The Offer is not being made to holders in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. We are not aware of any jurisdiction where the making of the Offer or acceptance thereof would be prohibited by securities, blue sky or other valid laws of such jurisdiction. If we become aware of any U.S. state in which the making of the Offer or acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action pursuant to a valid state statute, we will make a good faith effort to comply with that state statute. If, after a good faith effort, we cannot comply with the state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in that state. In those jurisdictions where applicable laws or regulations require that the Offer be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

No person has been authorized to give any information or make any representation on behalf of Parent, Purchaser or any of their respective affiliates, not contained in this Offer to Purchase or in the related Letter of Transmittal.

We have filed with the SEC a Schedule TO, together with exhibits thereto, furnishing certain additional information with respect to the Offer, and may file amendments to our Schedule TO. In addition, Terns will file the Schedule 14D-9, together with the exhibits thereto, setting forth the Terns Board Recommendation and furnishing certain additional related information. Our Schedule TO, the Schedule 14D-9 and any exhibits or amendments thereto may be examined and copies may be obtained from the SEC in the manner described in "—Section 8—Certain Information Concerning Terns" and "—Section 9—Certain Information Concerning Parent and Purchaser" above.

Thailand Merger Sub, Inc.

April 7, 2026

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF MERCK & CO., INC.

The name, current principal occupation or employment and material occupations, positions, offices or employment for the past five years of each director and executive officer of Merck & Co., Inc. are set forth below. The business address of each director and officer is 126 East Lincoln Avenue, P.O. Box 2000, Rahway, New Jersey 07065. All directors and executive officers listed below are United States citizens. Directors of Merck & Co., Inc. are identified by an asterisk.

Name	Current Principal Occupation or Employment and Five-Year Employment History
Douglas M. Baker, Jr.*	Douglas M. Baker, Jr. has served as a Director of Merck & Co., Inc. from 2022 to present. He has served as a Founding Partner of E2SG Partners, a company that invests in environmentally sustainable technologies with a principal address of 212 3rd Ave North, Suite 575, Minneapolis, MN 55401, from 2022 to present. He held the position of Executive Chairman of Ecolab Inc., a provider of water and hygiene services and technologies for the food, hospitality, industrial and energy markets, from 2021 to 2022 and previously served as the Chairman and Chief Executive Officer from 2006 to 2020. He has also served as a director of Target Corporation from 2013 to present.
Mary Ellen Coe*	Mary Ellen Coe has served as a Director of Merck & Co., Inc. from 2019 to present. She has held the position of Chief Business Officer, YouTube Inc., a video sharing service company with a principal address of 901 Cherry Ave, San Bruno, CA 94066, from 2022 to present. She was previously President, Google Customer Solutions from 2017 to 2022.
Pamela J. Craig*	Pamela J. Craig has served as a Director of Merck & Co., Inc. from 2015 to present. She has also served as Director of Progressive Insurance from 2018 to present and of Corning Incorporated from 2021 to present. She was formerly a director of 3M Company from 2019 to 2023.
Robert M. Davis*	Robert M. Davis has served as the Chairman, Chief Executive Officer and President of Merck & Co., Inc. from 2022 to present. At Merck & Co., Inc., he previously served as Chief Executive Officer and President from 2021 to 2022, the Chief Financial Officer and Executive Vice President, Global Services from 2016 to 2021. He has served as a director of Duke Energy Corporation from 2018 to present.
Thomas H. Glocer*	Thomas H. Glocer has served as a Director of Merck & Co., Inc. from 2007 to present. From 2012 to present, he has been a Founder and Managing Partner of Angelic Ventures LP, a family office investing in early-stage technology companies with a principal address of 845 3rd Avenue, 4th Floor, New York, NY 10022. He has served as a director of Morgan Stanley from 2013 to present, and of Publicis Groupe from 2016 to present.
Surendralal Karsanbhai*	Surendralal Karsanbhai has served as a Director of Merck & Co., Inc. from 2025 to present. He has served as President and Chief Executive Officer of Emerson Electric Co., a technology and software company with a principal address of 8027 Forsyth Boulevard, St. Louis, MO 63105, since 2021. He previously served as Executive President, Emerson Automation Solutions, from 2018 to 2021.

Name	Current Principal Occupation or Employment and Five-Year Employment History
Risa J. Lavizzo-Mourey, M.D.*	Risa J. Lavizzo-Mourey has served as a Director of Merck & Co., Inc. from 2020 to present. She has served as President Emerita, from 2017 to present of Robert Wood Johnson Foundation, a healthcare-focused philanthropic organization with a principal address of 50 College Road East, Princeton, NJ 08540. She has also served as the Robert Wood Johnson Foundation Population Health and Health Equity Professor Emerita at the University of Pennsylvania from 2021 to the present. She has served as a director of GE HealthCare Technologies, Inc. since 2023. She previously served as a director of Intel Corporation from 2018 to 2025, Better Therapeutics from 2021 to 2023, and General Electric Company from 2017 to 2023.
Stephen L. Mayo, Ph.D.*	Stephen L. Mayo has served as a Director of Merck & Co., Inc. from 2021 to present. From 2007 to present, he has served as the Bren Professor of Biology and Chemistry at the California Institute of Technology, with a principal address of 1200 East California Boulevard, Pasadena, California 91125, where he has held a number of other roles, including Chair of the Division of Biology & Biological Engineering and Vice Provost for Research. He has served as a director of each of Allogene Therapeutics and Sarepta Therapeutics since 2021.
Paul B. Rothman, M.D.*	Paul B. Rothman has served as a Director of Merck & Co., Inc. from 2015 to present. From 2012 to 2022, he held the positions of Dean of the Medical Faculty and Vice President for Medicine of Johns Hopkins University and Chief Executive Officer of Johns Hopkins Medicine, with a principal address of 3400 N. Charles St., Baltimore, MD 21218. He has served as a director of Labcorp since 2023.
Patricia F. Russo*	Patricia F. Russo served as a Director of Schering-Plough Corporation from 1995 until 2009 when the company became Merck & Co., Inc. and has continued to serve as a Director of Merck & Co., Inc. from 2009 to present. From 2015 to present, she has held the position of Non-executive Chairman of Hewlett Packard Enterprise Company. She has served as a director of General Motors Company from 2009 to present and of KKR Management Inc. from 2011 to present.
Christine E. Seidman, M.D.*	Christine E. Seidman has served as a Director of Merck & Co., Inc. from 2020 to present. She has been the Thomas W. Smith Professor of Medicine and Genetics at Harvard Medical School/Brigham and Women's Hospital, with a principal address of 75 Francis Street, Boston, MA, from 2005 to present.
Inge G. Thulin*	Inge G. Thulin has served as a Director of Merck & Co., Inc. from 2018 to present.
Kathy J. Warden*	Kathy J. Warden has served as a Director of Merck & Co., Inc. from 2020 to present. She has been the Chairman, Chief Executive Officer and President of Northrop Grumman Corporation, an aerospace and defense technology company, with a principal address of 2980 Fairview Park Drive, Falls Church, VA 22042, from 2019 to present.
Sanat Chattopadhyay	Sanat Chattopadhyay has served as Executive Vice President and President, Merck Manufacturing Division of Merck & Co., Inc. from 2016 to present.
Richard R. Deluca, Jr.	Richard R. Deluca, Jr. has served as Executive Vice President and President, Merck Animal Health, Merck & Co., Inc. from 2011 to present.

Name	Current Principal Occupation or Employment and Five-Year Employment History
Brian Foard	Brian Foard has served as Executive Vice President and President, Specialty, Pharma & Infectious Diseases for Merck & Co., Inc. from March 2026 to present. Prior to this position, Mr. Foard served in various roles at Sanofi, a pharmaceutical company with a principal address of 55 Corporate Drive, Bridgewater, NJ 08807, including Executive Vice President, Specialty Care from 2024 to 2026, Head, Specialty Care North America, U.S. Country Lead from 2023 to 2024, and Global Franchise Head Immunology from 2020 to 2023.
Chirfi Guindo	Chirfi Guindo has served as Executive Vice President, Strategic Access, Policy and Communications of Merck & Co., Inc. from April 2026 to present. He also served as Chief Marketing Officer for Merck & Co., Inc. from 2022 to 2026. From 2018 to 2022, he was Executive Vice President and Head of Global Product Strategy and Commercialization at Biogen Inc. with a principal address of 225 Binney Street, Cambridge, Massachusetts 02142.
Betty Larson	Betty Larson has served as Executive Vice President and Chief Human Resources Officer of Merck & Co., Inc. from 2024 to present. She previously served as Chief People Officer of GE HealthCare, a health technology company with a principal address of 500 W. Monroe Street, Chicago, IL 60661, from 2022 to 2024, and as Executive Vice President and Chief Human Resources Officer of Becton, Dickinson and Company, a medical technology company with a principal address of 1 Becton Drive, Franklin Lakes, NJ 07417-1880, from 2018 to 2022.
Dean Y. Li	Dean Y. Li has served as Executive Vice President and President of Merck Research Laboratories from 2021 to present. He also served as Senior Vice President and Vice President in the Translational Medicine and Discovery functions at Merck & Co., Inc. from 2017 to 2021.
Caroline Litchfield	Caroline Litchfield has served as Executive Vice President and Chief Financial Officer of Merck & Co., Inc. from 2021 to present. She previously served as Senior Vice President, Treasurer from 2018 to 2021.
Jannie Oosthuizen	Jannie Oosthuizen has served as Executive Vice President and President, Oncology and MSD International of Merck & Co., Inc. from April 2026 to present. He also served as President, Merck Human Health U.S., Merck & Co., Inc. from 2022 to 2026, and previously served as Senior Vice President and Head of Global Oncology Commercial in 2021, and as Senior Vice President and President of MSD K.K. Japan from 2016 to 2020.
Dave Williams	Dave Williams has served as Chief Information and Digital Officer of Merck & Co., Inc. from 2020 to present and, immediately prior to that, as Acting Chief Information and Digital Officer from 2019 to 2020.
Jennifer L. Zachary	Jennifer L. Zachary has served as the Executive Vice President and General Counsel of Merck & Co., Inc. from 2018 to present.

MANAGERS AND EXECUTIVE OFFICERS OF PARENT

The name, current principal occupation or employment and material occupations, positions, offices or employment for the past five years, of each manager and executive officer of Parent are set forth below. The business address of each manager and officer is 126 East Lincoln Avenue, P.O. Box 2000, Rahway, New Jersey 07065. All managers and executive officers listed below are United States citizens. Managers of Parent are identified by an asterisk.

Name	Current Principal Occupation or Employment and Five-Year Employment History
Dalton Smart*	Manager and President of Parent. He has served as Senior Vice President Finance – Global Controller since December 2023 and Vice President, Internal Audit from 2015 to 2023.
Melissa Leonard*	Manager, Senior Vice President and Treasurer of Parent. She has served as Senior Vice President and Treasurer since 2024, VP, Finance Manufacturing from 2021 to 2024, and AVP, Organon Transition Management Lead from 2020 to 2021.
Jon Filderman*	Manager and Vice President of Parent. Jon Filderman has served as Vice President since 2020.
Gary Henningsen	Senior Vice President – Tax of Parent. Gary A. Henningsen, Jr. has served as Senior Vice President, Corporate Tax from 2022 to present and Vice President, Tax Planning from 2020 to 2022.
Timothy Dillane	Assistant Treasurer of Parent. Timothy G. Dillane has served as Assistant Treasurer from 2018 to present.
Mark Walker	Assistant Treasurer of Parent. Mark Walker has served as Assistant Treasurer since 2025. He has served in a variety of roles since joining in 2006, including as Finance Lead for the U.S. Oncology franchise from 2023 – 2025.
Robert Swartwood	Assistant Treasurer of Parent. Robert V. Swartwood has served as Assistant Treasurer since January 2022. Prior to that, he served as Director of Treasury Planning & Foreign Exchange Risk Management from 2020 to 2022, and as Director of Foreign Exchange Risk Management from 2015 to 2019.
Kelly E.W. Grez	Secretary of Parent. Kelly E.W. Grez has served as AVP, Legal since 2022. Prior to that, she served as Executive Director, Legal from 2020 to 2022.
Karen R. Ettelman	Assistant Secretary of Parent. Karen R. Ettelman has served as Senior Specialist, Legal since 2021 and, prior to that, as Specialist, Legal Support, Corporate Transactions from 2017 to 2021.

DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER

The name, current principal occupation or employment and material occupations, positions, offices or employment for the past five years, of each director and executive officer of Purchaser are set forth below. The business address of each director and officer is 126 East Lincoln Avenue, P.O. Box 2000, Rahway, New Jersey 07065. All directors and executive officers listed below are United States citizens. Directors of Purchaser are identified by an asterisk.

Name	Current Principal Occupation or Employment and Five-Year Employment History
Dalton Smart*	Director and President of Parent. He has served as Senior Vice President Finance – Global Controller since December 2023 and Vice President, Internal Audit from 2015 to 2023.
Melissa Leonard*	Director, Senior Vice President and Treasurer of Purchaser. She has served as Senior Vice President and Treasurer since 2024, VP, Finance Manufacturing from 2021 to 2024, and AVP, Organon Transition Management Lead from 2020 to 2021.
Jon Filderman*	Director and Vice President of Purchaser. Jon Filderman has served as Vice President since 2020.
Gary Henningsen	Senior Vice President – Tax of Purchaser. Gary A. Henningsen, Jr. has served as Senior Vice President, Corporate Tax from 2022 to present and Vice President, Tax Planning from 2020 to 2022.
Timothy Dillane	Assistant Treasurer of Purchaser. Timothy G. Dillane has served as Assistant Treasurer from 2018 to present.
Mark Walker	Assistant Treasurer of Purchaser. Mark Walker has served as Assistant Treasurer since 2025. He has served in a variety of roles since joining in 2006, including as Finance Lead for the U.S. Oncology franchise from 2023 – 2025.
Robert Swartwood	Assistant Treasurer of Purchaser. Robert V. Swartwood has served as Assistant Treasurer since 2022. Prior to that, he served as Director of Treasury Planning & Foreign Exchange Risk Management from 2020 to 2022, and as Director of Foreign Exchange Risk Management from 2015 to 2019.
Kelly E.W. Grez	Secretary of Purchaser. Kelly E.W. Grez has served as AVP, Legal since 2022. Prior to that, she served as Executive Director, Legal from 2020 to 2022.
Karen R. Ettelman	Assistant Secretary of Purchaser. Karen R. Ettelman has served as Senior Specialist, Legal since 2021 and, prior to that, as Specialist, Legal Support, Corporate Transactions from 2017 to 2021.

The Letter of Transmittal and any required documents should be sent to the Depositary at one of the addresses set forth below:

The Depositary for the Offer is:

Computershare Trust Company, N.A.

By Registered, Certified Mail or Overnight Courrier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions; COY: TERN
150 Royall Street, Suite V
Canton, MA 02021
By First Class Mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions; COY: TERN
P.O. Box 43011
Providence, RI 02940-3011

If you have questions or need additional copies of this Offer to Purchase and the Letter of Transmittal, you may contact the Information Agent at its address and telephone numbers set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Stockholders may call toll free: (877) 750-2689
Banks and Brokers may call collect: (212) 750-5833

LETTER OF TRANSMITTAL

to Tender Shares of Common Stock

of

TERNS PHARMACEUTICALS, INC.

at

$53.00 Net Per Share of Common Stock

Pursuant to the Offer to Purchase

Dated April 7, 2026

by

THAILAND MERGER SUB, INC.

a wholly owned subsidiary of

MERCK SHARP & DOHME LLC

a wholly owned subsidiary of

MERCK & CO., INC.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE ONE MINUTE FOLLOWING 11:59 P.M., EASTERN TIME, ON MAY 4, 2026, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Depositary for the Offer is:

COMPUTERSHARE TRUST COMPANY, N.A.

If delivering by first class mail:	*If delivering by registered, certified mail, or overnight courier:*
Computershare Trust Company, N.A. **c/o Voluntary Corporate Actions; COY: TERN** **P.O. Box 43011** **Providence, Rhode Island 02940-3011**	**Computershare Trust Company, N.A.** **c/o Voluntary Corporate Actions; COY: TERN** **150 Royall Street, Suite V** **Canton, Massachusetts 02021**

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES OF THE OFFER TO PURCHASE AND THIS LETTER OF TRANSMITTAL MAY BE MADE TO OR OBTAINED FROM THE INFORMATION AGENT AT ITS ADDRESS OR TELEPHONE NUMBERS SET FORTH BELOW.

You must sign this Letter of Transmittal in the appropriate space provided below, with signature guarantee if required, and complete the enclosed IRS Form W-9 or provide the appropriate IRS Form W-8.

The Offer (as defined below) is not being made to holders in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. We are not aware of any jurisdiction where the making of the Offer or acceptance thereof would be prohibited by securities, blue sky or other valid laws of such jurisdiction. If we become aware of any U.S. state in which the making of the Offer or acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action pursuant to a valid state statute, we will make a good faith effort to comply with that state statute. If, after a good faith effort, we cannot comply with the state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in that state. In those jurisdictions where applicable laws or regulations require that the Offer be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

This Letter of Transmittal is to be used by stockholders of Terns Pharmaceuticals, Inc. on the records of the Depositary.

Delivery of documents to The Depository Trust Company (the "Book-Entry Transfer Facility" or "DTC") does not constitute delivery to the Depositary.

Ladies and Gentlemen:

The undersigned hereby tenders to Thailand Merger Sub, Inc., a Delaware corporation ("**Purchaser**") and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company ("**Parent**"), the below-described shares of common stock, par value $0.0001 per share (the "**Shares**"), of Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), pursuant to Purchaser's offer to acquire all of the outstanding Shares for $53.00 per Share, net to the seller in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 7, 2026 (together with any amendments or supplements thereto, the "**Offer to Purchase**"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "**Offer**"). The Offer expires one minute following 11:59 p.m., Eastern Time, on May 4, 2026, unless extended or earlier terminated as permitted by the Agreement and Plan of Merger, dated as of March 24, 2026 (together with any amendments or supplements thereto, the "**Merger Agreement**"), among Parent, Purchaser and Terns pursuant to which the Offer is being made (such time or such subsequent time to which the expiration of the Offer is extended in accordance with the Merger Agreement, the "**Expiration Time**"). To the extent permitted under the Merger Agreement, Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates the right to purchase Shares tendered pursuant to the Offer (*provided* that such assignment will not (i) impede or delay the consummation of the Transactions (as defined in the Offer to Purchase), (ii) otherwise impede the rights of the stockholders of Terns under the Merger Agreement or (iii) relieve Parent of its obligations under the Merger Agreement.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), and effective upon acceptance for payment for the Shares validly tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby. In addition, the undersigned hereby irrevocably appoints each of the designees of Purchaser as the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such Shares, with full power of substitution (such proxy and power of attorney being deemed to be an irrevocable power coupled with an interest in the Shares tendered by this Letter of Transmittal), to (a) transfer ownership of such Shares on the account books maintained by the Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (b) present such Shares for transfer on the books of Terns and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned also hereby irrevocably appoints each of the designees of Purchaser as the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to exercise all voting and other rights of the undersigned in such manner as each such attorney-in-fact and proxy or his or her substitute will in his or her sole discretion deem proper, with respect to all of the Shares validly tendered hereby which have been accepted for payment by Purchaser prior to the time of any vote or other action, at any meeting of stockholders of Terns (whether annual or special and whether or not an adjourned meeting), by written consent or otherwise. This proxy and power of attorney is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by Purchaser in accordance with the terms of the Offer. Such acceptance for payment will revoke any other proxies, powers of attorney, or written consent granted by the undersigned at any time with respect to such Shares, and no subsequent proxies or powers of attorney will be given, or written consents will be executed by the undersigned (and if given or executed, will not be deemed to be effective). Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser or its designees must be able to exercise full voting, consent and other rights with respect to such Shares, including voting at any meeting of Terns' stockholders.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered herein and that when the same are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and that the same will not be subject to any adverse claims. The undersigned hereby

represents and warrants that the undersigned is the registered owner of the Shares, or the submitter at the Book-Entry Transfer Facility is a participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of the Shares. The undersigned, or participant submitter, will, upon request, execute and deliver any additional documents deemed by the Depositary or Purchaser to be reasonably necessary to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred will not be affected by, and will survive, the death or incapacity of the undersigned, and any obligation of the undersigned hereunder will be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the Instructions hereto will constitute an agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer. Without limiting the foregoing, if the price to be paid in the Offer is amended in accordance with the terms of the Merger Agreement, the price to be paid to the undersigned will be the amended price notwithstanding the fact that a different price is stated in this Letter of Transmittal.

Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased to the undersigned at the address shown below the undersigned's signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and return any Shares not tendered or not accepted for payment in the name(s) of, and mail said check to, the person(s) so indicated. The undersigned recognizes that Purchaser has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Purchaser does not accept for payment any of the Shares so tendered.

DESCRIPTION OF SHARES TENDERED	
Name(s) and Address(es) of Registered Owner(s) **(If blank, please fill in exactly as name(s) appear(s)** **on share certificate(s))**	**Shares Tendered (attach additional list if necessary)**
	Book Entry Shares*
	Number of Shares Held in Book-Entry Form Tendered
	Total Shares
* Unless otherwise indicated, it will be assumed that all shares of common stock held in book-entry form are being tendered hereby.	

(1) If Shares are held in book-entry form, you **must** indicate the number of Shares you are tendering. Otherwise, all Shares represented by book-entry delivered to the Depositary will be deemed to have been tendered. **By signing and submitting this Letter of Transmittal you warrant that these Shares will not be sold, including through limit order request, unless validly withdrawn from the Offer.** See Instruction 4.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 6, 7 and 8)

To be completed ONLY if the check for the purchase price of Shares purchased (less the amount of any federal income and backup withholding tax required to be withheld) is to be issued in the name of someone other than the undersigned.

Issue to:

Name _____
(Please Print)

Address _____

_____
(Include Zip Code)

Tax Identification or Social Security Number

_____
(Please Print)

(Please additionally complete IRS Form W-9 (attached) or the applicable IRS Form W-8, available at IRS.gov)

SPECIAL DELIVERY INSTRUCTIONS

To be completed ONLY if the check for the purchase price of Shares purchased (less the amount of any federal income and backup withholding tax required to be withheld) is to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown on the first page of this Letter of Transmittal.

Mail to:

Name _____
(Please Print)

Address _____

_____

(Include Zip Code)

‘_____Indicates permanent change of address

IMPORTANT

STOCKHOLDER: SIGN HERE
(U.S. Holders: Please complete and return the IRS Form W-9 included herein)
(Non-U.S. Holders: Please obtain, complete and return appropriate IRS Form W-8)

(Must be signed by registered holder(s) exactly as name(s) appear(s) on the transfer agent's books or by person(s) authorized to become registered holder(s) by documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

_____

_____

_____

Signature(s) of Stockholder(s)

Dated_____ , 202__

Name(s) _____

(Please Print)

Capacity (full title) (See Instruction 5): _____

Address _____

_____

_____

(Include Zip Code)

Area Code and Telephone Number _____

Email Address _____

Guarantee of Signature(s)
(If required; see Instructions 1 and 5)
(For use by Eligible Institutions only. Place Medallion Guarantee in space below)

Name of Firm _____

Address _____

(Include Zip Code)

Authorized Signature _____

Names(s) _____

(Please Print)

Area Code and Telephone Number _____

Dated_____, 202__

INSTRUCTIONS
Forming Part of the Terms and Conditions of the Offer

1. *Guarantee of Signatures*. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) that is a member of a recognized Medallion Program approved by The Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange, Inc. Medallion Signature Program (MSP) or any other "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended) (each, an "**Eligible Institution**"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered herewith and such holder(s) have not completed the box entitled "Special Payment Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. *Delivery of Letter of Transmittal and Shares*. This Letter of Transmittal is to be used if Shares are held in book-entry form on the records of the Depositary. Any required signature guarantees and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the front page of this Letter of Transmittal by the Expiration Time.

Purchaser is not providing for guaranteed delivery procedures. Therefore, Terns stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Depositary, which is earlier than the Expiration Time. In addition, for Terns stockholders who are registered holders, this Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees and any other documents required by this Letter of Transmittal (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and such other documents) must be received by the Depositary prior to the Expiration Time. Terns stockholders must tender their Shares in accordance with the procedures set forth in the Offer to Purchase and this Letter of Transmittal. Tenders received by the Depositary after the Expiration Time will be disregarded and of no effect.

The method of delivery of Shares, this Letter of Transmittal and all other required documents is at the election and sole risk of the tendering stockholder. Shares will be deemed delivered only when actually received by the Depositary. Sufficient time should be allowed to ensure timely delivery.

No alternative, conditional or contingent tenders will be accepted and no fractional shares will be purchased. By executing this Letter of Transmittal, the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. *Inadequate Space*. If the space provided herein is inadequate, the number of Shares should be listed on a separate signed schedule attached hereto.

4. *Partial Tenders*. In the case of Shares tendered by book-entry transfer at DTC (or Shares held in a direct registration account maintained by Terns' transfer agent), any tendered but unpurchased Shares (including as a result of any necessary proration) will be credited to the appropriate account maintained by the tendering stockholder at DTC (or by Terns' transfer agent). In each case, Shares will be returned or credited without expense to the stockholder.

5. *Signatures on Letter of Transmittal*. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) of such holders as written on the face of the Shares without alteration or any change whatsoever.

If any of the Shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby are registered in names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, Shares not tendered or not accepted for payment are to be returned, in the name of any person other than the registered holder(s).

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of the authority of such person so to act must be submitted, or in lieu of evidence, a Guarantee of Signature (see Instruction 1).

6. *Stock Transfer Taxes*. Terns will pay any stock transfer taxes with respect to the sale and transfer of any Shares to Purchaser or Purchaser's order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not accepted for payment are to be returned in the name of, any person other than the registered holder(s), or if a transfer tax is imposed for any reason other than the sale or transfer of Shares to Purchaser pursuant to the Offer, then as a condition of such payment, such person will pay the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise), or establish satisfactory evidence of the payment of such taxes, or exemption therefrom.

7. *Special Payment and Delivery Instructions*. If the check for the purchase price of any Shares purchased is to be issued in the name of a person other than the person(s) signing this Letter of Transmittal or if the check is to be mailed to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal at an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed.

8. *Backup Withholding*. Under the U.S. federal income tax laws, unless certain certification requirements are met, the Depositary generally will be required to withhold at the applicable backup withholding rate from any payments made to a stockholder pursuant to the Offer. In order to avoid such backup withholding, each tendering stockholder, and, if applicable, each other payee, in each case that is a U.S. person (as defined in the instructions to IRS Form W-9) must provide the Depositary with such stockholder's or payee's correct taxpayer identification number and certify that such stockholder or payee is not subject to such backup withholding by completing the IRS Form W-9 enclosed herein. In general, if a stockholder or payee is an individual, the taxpayer identification number is the social security number of such individual. If the stockholder or payee does not provide the Depositary with its correct taxpayer identification number, the stockholder or payee may be subject to a penalty

imposed by the IRS. Certain stockholders or payees (including, generally, certain domestic corporations and foreign stockholders) are not subject to these backup withholding requirements. In order to satisfy the Depositary that a stockholder who is not a U.S. person is exempt, such stockholder or payee must submit to the Depositary a properly completed appropriate IRS Form W-8, signed under penalties of perjury, attesting to that stockholder's foreign status. Such IRS Form W-8 can be obtained from the Depositary or the Internal Revenue Service (www.irs.gov/formspubs/index.html). The instructions to the enclosed IRS Form W-9 contain further information concerning backup withholding and instructions for completing the IRS Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the IRS Form W-9 if Shares are held in more than one name).

Failure to provide an IRS Form W-9 or the appropriate IRS Form W-8 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depositary to withhold from any payments made pursuant to the Offer.

Backup withholding is not an additional U.S. federal income tax. Rather, the U.S. federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS. **Failure to complete and provide an IRS Form W-9 or the appropriate IRS Form W-8 may result in U.S. federal backup withholding on any payments made to you pursuant to the Offer.**

9. *Requests for Assistance or Additional Copies*. Requests for assistance or additional copies of the Offer to Purchase and this Letter of Transmittal may be obtained from the Information Agent at its address or telephone numbers set forth below.

10. *Waiver of Conditions*. Purchaser reserves the right to waive any of the specified conditions of the Offer in the case of any Shares tendered, subject in certain cases to the prior written consent of Terns, or make any other changes in the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement.

11. *Irregularities*. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser in its sole discretion (which may be delegated in whole or in part to the Depositary), which determination will be final and binding on you. Purchaser reserves the absolute right to reject any or all tenders of Shares it determines not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of Purchaser, be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in the tender of any Shares by any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of shares will be deemed to have been validly made until all defects and irregularities have been cured or waived to the satisfaction of Purchaser. None of Terns, Parent, Purchaser, the Depositary, the Information Agent (as defined in the Offer to Purchase) or any other person will be under any duty to give notification of any defect or irregularity in tenders or waiver of any such defect or irregularity or incur any liability for failure to give any such notifications.

IMPORTANT: This Letter of Transmittal, together with any signature guarantees and any other required documents, must be received by the Depositary on or prior to the Expiration Time and Shares must be delivered pursuant to the procedures for book-entry transfer, in each case on or prior to the Expiration Time.

The Information Agent for the Offer is:

Innisfree M&A Incorporated
501 Madison Avenue, 20th floor
New York, New York 10022
Stockholders may call toll free: (877) 750-2689
Banks and Brokers may call collect: (212) 750-5833

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type
See Specific Instructions on page 2.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** **Date**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441-1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;

2. You do not certify your TIN when required (see the instructions for Part II for details);

3. The IRS tells the requester that you furnished an incorrect TIN;

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or

5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

- **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

- **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.
- **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

• **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

• **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.
Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

• Generally, individuals (including sole proprietors) are not exempt from backup withholding.

• Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.

• Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.

• Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1-An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

2-The United States or any of its agencies or instrumentalities.

3-A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

4-A foreign government or any of its political subdivisions, agencies, or instrumentalities.

5-A corporation.

6-A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.

7-A futures commission merchant registered with the Commodity Futures Trading Commission.

8-A real estate investment trust.

9-An entity registered at all times during the tax year under the Investment Company Act of 1940.

10-A common trust fund operated by a bank under section 584(a).

11-A financial institution as defined under section 581.

12-A middleman known in the investment community as a nominee or custodian.

13-A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5.[2]
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

1 See Form 1099-MISC, Miscellaneous Information, and its instructions.

2 However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A-An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B-The United States or any of its agencies or instrumentalities.

C-A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D-A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E-A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F-A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G-A real estate investment trust.

H-A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I-A common trust fund as defined in section 584(a).

J-A bank as defined in section 581.

K-A broker.

L-A trust exempt from tax under section 664 or described in section 4947(a)(1).

M-A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester,* later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/EIN*. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code,* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

1 List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

2 Circle the minor's name and furnish the minor's SSN.

3 You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

4 List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

* **Note:** The grantor must also provide a Form W-9 to the trustee of the trust.
** For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Go to *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.

Offer to Purchase for Cash
All Outstanding Shares of Common Stock
of

TERNS PHARMACEUTICALS, INC.
at
$53.00 Net per Share of Common Stock
Pursuant to the Offer to Purchase Dated April 7, 2026
by

THAILAND MERGER SUB, INC.

a wholly owned subsidiary of

MERCK SHARP & DOHME LLC

a wholly owned subsidiary of

MERCK & CO., INC.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE ONE MINUTE FOLLOWING 11:59 P.M., EASTERN TIME, ON MAY 4, 2026, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

April 7, 2026

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We have been engaged by Thailand Merger Sub, Inc., a Delaware corporation ("**Purchaser**") and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company ("**Parent**"), to act as the information agent (the "**Information Agent**") in connection with Purchaser's offer to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**"), of Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), at a purchase price of $53.00 per Share (the "**Offer Price**") in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 7, 2026 (as it may be amended or supplemented from time to time, the "**Offer to Purchase**") and the related Letter of Transmittal (as it may be amended or supplemented from time to time, the "**Letter of Transmittal**" and, together with the Offer to Purchase, the "**Offer**") enclosed herewith.

Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

Enclosed herewith for your information and forwarding to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee are copies of the following documents:

1. The Offer to Purchase.
2. The related Letter of Transmittal for the information of your clients only, together with the included IRS Form W-9 and instructions providing information relating to federal income tax backup withholding.
3. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.
4. Terns' Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 dated April 7, 2026.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE ONE MINUTE FOLLOWING 11:59 P.M., EASTERN TIME, ON MAY 4, 2026, UNLESS THE

OFFER IS EXTENDED OR EARLIER TERMINATED AS PERMITTED BY THE MERGER AGREEMENT (AS DEFINED BELOW) (AS SUCH TIME MAY BE EXTENDED IN ACCORDANCE WITH THE MERGER AGREEMENT, THE "EXPIRATION TIME").

Please also note that Purchaser is not providing for guaranteed delivery procedures. Therefore, Terns stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Depositary, which is earlier than the Expiration Time.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of March 24, 2026 (together with any amendments or supplements thereto, the "**Merger Agreement**"), among Terns, Parent and Purchaser. The Merger Agreement provides, among other things, that Purchaser will be merged with and into Terns (the "**Merger**" and, together with the Offer and the other transactions contemplated by the Merger Agreement, the "**Transactions**"), without a vote of the stockholders of Terns in accordance with Section 251(h) of the Delaware General Corporation Law (the "**DGCL**"), as soon as practicable (but in no event later than the first business day) following the acceptance for payment of the Shares validly tendered and not validly withdrawn (the "**Offer Acceptance Time**"), except if the conditions set forth in the Merger Agreement are not satisfied or waived as of such date, in which case the Merger shall occur on the first business day following the Offer Acceptance Time on which the conditions set forth in the Merger Agreement are satisfied or waived (other than those conditions that by their nature are to be satisfied at the time of the Merger, but subject to the satisfaction or waiver of such conditions), unless Parent and Terns agree to another date prior to the Offer Acceptance Time. The Merger Agreement is more fully described in Section 13 of the Offer to Purchase.

The board of directors of Terns, at a meeting duly called and held, has unanimously (i) determined that it is fair to and in the best interests of Terns and its stockholders for Terns to enter into the Merger Agreement and any related agreements contemplated thereby ("**Related Agreements**") to perform its obligations thereunder and to consummate the Transactions, including the Offer and the Merger, (ii) declared the Merger Agreement and the Transactions, including the Offer and the Merger, advisable, (iii) authorized and approved the execution, delivery and performance by Terns of the Merger Agreement and any Related Agreements and the consummation of the Transactions, including the Offer and the Merger, (iv) resolved that the Merger be effected under Section 251(h) of the DGCL as soon as practicable following the consummation (as defined in Section 251(h) of the DGCL) of the Offer and (v) recommended that the stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case upon the terms and subject to the conditions set forth in the Merger Agreement.

The Offer is not conditioned on obtaining financing or the funding thereof. However, the Offer is subject to various other conditions, including, among other things, there having been validly tendered (and not validly withdrawn) Shares that, considered together with all other Shares (if any) owned by Parent and its affiliates (but excluding Shares that have not yet been "received," as such term is defined by Section 251(h)(6) of the DGCL), would represent one more Share than 50% of the total number of Shares issued and outstanding as of immediately following the consummation of the Offer. These conditions to the Offer are described in "The Offer—Section 15—Conditions to the Offer" of the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than to the Information Agent and the Depositary as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. Purchaser will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies and other nominees for reasonable and necessary costs and expenses incurred by them in forwarding the enclosed materials to their clients.

Terns will pay all stock transfer taxes applicable to Purchaser's purchase of Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.

In order to take advantage of the Offer, the Depositary must receive an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and any other required documents, at one of the Depositary's addresses set forth on the back cover of the Offer to Purchase prior to the Expiration Time, Shares

should be tendered by book-entry transfer and the Depositary must receive timely confirmation of the book-entry transfer, all in accordance with the instructions contained in the Letter of Transmittal and the Offer to Purchase.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the Information Agent at its address and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

Innisfree M&A Incorporated

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS WILL RENDER YOU THE AGENT OF PARENT, PURCHASER, THE INFORMATION AGENT OR THE DEPOSITARY, OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

Offer to Purchase for Cash
All Outstanding Shares of Common Stock

of

TERNS PHARMACEUTICALS, INC.

at

$53.00 Net per Share of Common Stock
Pursuant to the Offer to Purchase Dated April 7, 2026

by

THAILAND MERGER SUB, INC.

a wholly owned subsidiary of

MERCK SHARP & DOHME LLC

a wholly owned subsidiary of

MERCK & CO., INC.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE ONE MINUTE FOLLOWING 11:59 P.M., EASTERN TIME, ON MAY 4, 2026, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

To Our Clients:

Enclosed for your consideration are the Offer to Purchase dated April 7, 2026 (the "**Offer to Purchase**"), the related Letter of Transmittal (as it may be amended or supplemented from time to time, the "**Letter of Transmittal**" and, together with the Offer to Purchase, the "**Offer**") in connection with the offer by Thailand Merger Sub, Inc., a Delaware corporation ("**Purchaser**") and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company ("**Parent**"), to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**"), of Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), for $53.00 per Share (the "**Offer Price**") in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in the Offer. Also enclosed is Terns' Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9.

We or our nominees are the holder of record of Shares held for your account. A tender of such Shares can be made only by us or our nominees as the holder of record and pursuant to your instructions. The enclosed Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us or our nominees for your account.

We request instructions as to whether you wish us to tender any or all of the Shares held by us or our nominees for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is directed to the following:

1. The Offer Price is $53.00 per Share, in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in the Offer.

2. The Offer is being made for all outstanding Shares.

3. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of March 24, 2026 (together with any amendments or supplements thereto, the "**Merger Agreement**"), among Terns, Parent and Purchaser. The Merger Agreement provides, among other things, that as soon as reasonably practicable following (but in any event within one business day of) the acceptance of the Shares for

payment (the "**Offer Acceptance Time**"), subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, and in accordance with the relevant provisions of the Delaware General Corporation Law (the "**DGCL**") and other applicable legal requirements, Purchaser will merge with and into Terns (the "**Merger**" and, together with the Offer and the other transactions contemplated by the Merger Agreement, the "**Transactions**"), with Terns continuing as the surviving corporation and a wholly owned indirect subsidiary of Parent. At the effective time of the Merger (being such date and at such time as the certificate of merger in respect of the Merger is duly filed with the Secretary of State of the State of Delaware or at such later time and date as may be agreed upon by the parties to the Merger Agreement in writing and specified in the certificate of merger in accordance with the DGCL, the "**Effective Time**"), each outstanding Share (other than (i) Shares held by Terns (or held in Terns' treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser, (ii) Shares irrevocably accepted for purchase in the Offer and (iii) Shares issued and outstanding immediately prior to the Effective Time that are held by holders who are entitled to appraisal rights under Section 262 of the DGCL and have properly exercised and perfected their respective demands for appraisal of such Shares in the time and manner provided in Section 262 of the DGCL and, as of the Effective Time, have neither validly withdrawn nor lost their rights to such appraisal and payment under the DGCL) will be automatically converted into the right to receive the Offer Price, in cash, without interest, subject to any applicable withholding of taxes. No appraisal rights are available in connection with the Offer. However, if the Offer is successful and the Merger is consummated, any Shares issued and outstanding as of immediately prior to the Effective Time which are held of record or beneficially owned by holders who (A) did not tender their Shares in the Offer (or, if tendered, validly and subsequently withdrew such Shares prior to the Offer Acceptance Time); (B) follow the procedures set forth in Section 262 of the DGCL; (C) do not thereafter withdraw their demand for appraisal of such Shares or otherwise lose their appraisal rights, in each case in accordance with Section 262 of the DGCL; and (D) in the case of a beneficial owner, have submitted a demand that (x) reasonably identifies the holder of record of the shares for which the demand is made, (y) is accompanied by documentary evidence of such beneficial owner's beneficial ownership of stock and a statement that such documentary evidence is a true and correct copy of what it purports to be, and (z) provides an address at which such beneficial owner consents to receive notices given by Terns and to be set forth on the verified list to be filed with the Delaware Register in the Delaware Court of Chancery, will be entitled to receive appraisal rights for the "fair value" of their Shares in accordance with Section 262 of the DGCL. The "fair value" of such Shares as of the Effective Time could be more than, the same as or less than the consideration to be received pursuant to the Merger and Terns may argue in any appraisal proceeding that, for purposes of such proceeding, the fair value of such Shares is less than the Offer Price. The Merger Agreement is more fully described in Section 13 of the Offer to Purchase.

4. **The board of directors of Terns, at a meeting duly called and held, has unanimously (i) determined that it is fair to and in the best interests of Terns and its stockholders for Terns to enter into the Merger Agreement and any related agreements contemplated thereby ("Related Agreements"), to perform its obligations thereunder and to consummate the Transactions, including the Offer and the Merger, (ii) declared the Merger Agreement and the Transactions, including the Offer and the Merger, advisable, (iii) authorized and approved the execution, delivery and performance by Terns of the Merger Agreement and any Related Agreements and the consummation of the Transactions, including the Offer and the Merger, (iv) resolved that the Merger be effected under Section 251(h) of the DGCL as soon as practicable following the consummation (as defined in Section 251(h) of the DGCL) of the Offer, and (v) recommended that the stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case upon the terms and subject to the conditions set forth in the Merger Agreement.**

5. The Offer and withdrawal rights expire one minute following 11:59 p.m., Eastern Time, on May 4, 2026, unless extended or earlier terminated as permitted by the Merger Agreement (such time or such

subsequent time to which the expiration of the Offer is extended in accordance with the Merger Agreement, the "**Expiration Time**").

6. **Purchaser is not providing for guaranteed delivery procedures**. Therefore, Terns stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Depositary, which is earlier than the Expiration Time.

7. Purchaser will not be required to accept for payment or, subject to any applicable rules and regulations of the U.S. Securities and Exchange Commission (the "**SEC**"), including Rule 14e-l(c) under the Securities Exchange Act of 1934, as amended, to pay for any Shares tendered pursuant to the Offer, if any of the conditions set forth in the Merger Agreement are not satisfied or waived in writing by Parent and Purchaser (to the extent waivable by Parent and Purchaser) as of any scheduled Expiration Time, including, among other things, the condition that the number of Shares validly tendered (and not validly withdrawn), considered together with all other Shares (if any) owned by Parent and its affiliates (but excluding Shares that have not yet been "received," as defined by Section 251(h)(6) of the DGCL), would represent one more Share than 50% of the total number of Shares issued and outstanding as of immediately following the consummation of the Offer. These conditions to the Offer are described in "The Offer—Section 15—Conditions to the Offer" of the Offer to Purchase.

8. Any stock transfer taxes applicable to the sale and transfer of Shares to Purchaser pursuant to the Offer will be paid by Terns, except as otherwise set forth in Instruction 6 of the Letter of Transmittal. However, federal income tax backup withholding at the applicable rate may be required, unless the required taxpayer identification information is provided and certain certification requirements are met, or unless an exemption is established. See Instruction 8 of the Letter of Transmittal.

If you wish to have us or our nominees tender any or all of your Shares, please complete, sign, detach and return the instruction form below. An envelope to return your instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise specified on the instruction form. Your prompt action is requested. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf by the Expiration Time.

The Offer is not being made to holders in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. We are not aware of any jurisdiction where the making of the Offer or acceptance thereof would be prohibited by securities, blue sky or other valid laws of such jurisdiction. If we become aware of any U.S. state in which the making of the Offer or acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action pursuant to a valid state statute, we will make a good faith effort to comply with that state statute. If, after a good faith effort, we cannot comply with the state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in that state. In those jurisdictions where applicable laws or regulations require that the Offer be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Instruction Form with Respect to
Offer to Purchase for Cash
All Outstanding Shares of Common Stock
of
TERNS PHARMACEUTICALS, INC.
at
$53.00 Net per Share of Common Stock
Pursuant to the Offer to Purchase Dated April 7, 2026
by
THAILAND MERGER SUB, INC.
a wholly owned subsidiary of
MERCK SHARP & DOHME LLC
a wholly owned subsidiary of
MERCK & CO., INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated April 7, 2026 and the related Letter of Transmittal (together, as may be amended or supplemented from time to time, the "**Offer**"), in connection with the offer by Thailand Merger Sub, Inc., a Delaware corporation ("**Purchaser**") and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company ("**Parent**"), to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**") of Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), for $53.00 per Share, in cash, without interest, subject to any applicable withholding of taxes and upon the terms and subject to the conditions set forth in the Offer.

The undersigned hereby instruct(s) you to tender to Purchaser the number of Shares indicated below (or if no number is indicated below, all Shares) held by you or your nominees for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer furnished to the undersigned. The undersigned understands and acknowledges that all questions as to the validity, form and eligibility (including time of receipt) and acceptance for payment of any tender of Shares made on my behalf will be determined by Purchaser in its sole discretion.

The method of delivery of this Instruction Form is at the election and risk of the tendering stockholder. This Instruction Form should be delivered to us in ample time to permit us to submit the tender on your behalf prior to the expiration of the Offer.

Number of Shares to be Tendered:

_____ Shares*

Dated

SIGN HERE

_____
Signature(s)

_____
Name(s) (Please Print)

_____
Address(es)

_____
(Zip Code)

_____
Area Code and Telephone Number

_____
Taxpayer Identification or Social Security Number

* Unless otherwise indicated, it will be assumed that all Shares held for the undersigned's account are to be tendered.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely pursuant to the Offer to Purchase dated April 7, 2026 and the related Letter of Transmittal (as defined below) and any amendments or supplements thereto and is being made to all holders of Shares. The Offer is not being made to holders in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. We are not aware of any jurisdiction where the making of the Offer or acceptance thereof would be prohibited by securities, blue sky or other valid laws of such jurisdiction. If we become aware of any U.S. state in which the making of the Offer or acceptance of Shares pursuant thereto would not be in compliance with an administrative or judicial action pursuant to a valid state statute, we will make a good faith effort to comply with that state statute. If, after a good faith effort, we cannot comply with the state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in that state. In those jurisdictions where applicable laws or regulations require that the Offer be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Notice of Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

TERNS PHARMACEUTICALS, INC.

at

$53.00 Net Per Share of Common Stock

by

THAILAND MERGER SUB, INC.

a wholly owned subsidiary of

MERCK SHARP & DOHME LLC

a wholly owned subsidiary of

MERCK & CO., INC.

Thailand Merger Sub, Inc., a Delaware corporation ("**Purchaser**") and a wholly owned subsidiary of Merck Sharp & Dohme LLC, a New Jersey limited liability company ("**Parent**"), is offering to acquire all of the outstanding shares of common stock, par value $0.0001 per share (the "**Shares**") of Terns Pharmaceuticals, Inc., a Delaware corporation ("**Terns**"), for $53.00 per Share (the "**Offer Price**"), net to the seller in cash, without interest, subject to any applicable withholding of taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase dated April 7, 2026 (as it may be amended or supplemented from time to time, the "**Offer to Purchase**") and the related Letter of Transmittal (as it may be amended or supplemented from time to time, the "**Letter of Transmittal**" which, together with the Offer to Purchase, constitute the "**Offer**"). Tendering stockholders whose Shares are registered in their names and who tender directly to Purchaser will not be charged brokerage fees, commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the exchange of Shares for cash pursuant to the Offer. Tendering stockholders with Shares held in street name by a broker, dealer, commercial bank, trust company or other nominee should consult with their nominee to determine if they will be charged any transaction fees. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of March 24, 2026 (together with any amendment or supplements thereto, the "**Merger Agreement**"), among Terns, Parent and Purchaser. Following the consummation of the Offer, and under the

terms of the Merger Agreement as described in the Offer to Purchase, Purchaser intends to effect the Merger (defined below) as described below.

THE OFFER AND WITHDRAWAL RIGHTS EXPIRE ONE MINUTE AFTER 11:59 P.M., EASTERN TIME, ON MAY 4, 2026, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Merger Agreement provides, among other things, that as soon as practicable (but in any event no later than the first business day) following the acceptance of the Shares for payment, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement, Purchaser will merge with and into Terns (the "**Merger**" and, together with the Offer and the other transactions contemplated by the Merger Agreement, the "**Transactions**"), with Terns continuing as the surviving corporation and a wholly owned subsidiary of Parent. The effective time of the Merger (being such date and at such time as the certificate of merger in respect of the Merger is duly filed with the Secretary of State of the State of Delaware or at such later time and date as may be agreed upon by the parties to the Merger Agreement in writing and specified in the certificate of merger in accordance with the Delaware General Corporation Law (the "**DGCL**")) is referred to as the "**Effective Time**." As of the Effective Time, each outstanding Share (other than (i) Shares held by Terns (or held in Terns' treasury), Parent, Purchaser, or any other direct or indirect wholly owned subsidiary of Terns, Parent or Purchaser, (ii) Shares irrevocably accepted for purchase in the Offer and (iii) Shares issued and outstanding immediately prior to the Effective Time that are held by holders who are entitled to appraisal rights under Section 262 of the DGCL and have properly exercised and perfected their respective demands for appraisal of such Shares in the time and manner provided in Section 262 of the DGCL and, as of the Effective Time, have neither validly withdrawn nor lost their rights to such appraisal and payment under the DGCL) will receive the applicable price per Share paid in the Offer without interest and subject to any applicable withholding of taxes. No appraisal rights are available in connection with the Offer. However, if the Offer is successful and the Merger is consummated, any Shares issued and outstanding as of immediately prior to the Effective Time which are held of record or beneficially owned by holders who (A) did not tender their Shares in the Offer (or, if tendered, validly and subsequently withdrew such Shares prior to the Offer Acceptance Time); (B) follow the procedures set forth in Section 262 of the DGCL; (C) have not otherwise waived appraisal rights; (D) do not thereafter withdraw their demand for appraisal of such Shares or otherwise lose their appraisal rights, in each case in accordance with Section 262 of the DGCL; and (E) in the case of a beneficial owner, have submitted a demand that (x) reasonably identifies the holder of record of the shares for which the demand is made, (y) is accompanied by documentary evidence of such beneficial owner's beneficial ownership of stock and a statement that such documentary evidence is a true and correct copy of what it purports to be, and (z) provides an address at which such beneficial owner consents to receive notices given by Terns and to be set forth on the verified list to be filed with the Delaware Register in the Delaware Court of Chancery, will be entitled to receive appraisal rights for the "fair value" of their Shares in accordance with Section 262 of the DGCL. The "fair value" of such Shares as of the Effective Time could be more than, the same as or less than the consideration to be received pursuant to the Merger and Terns may argue in any appraisal proceeding that, for purposes of such proceeding, the fair value of such Shares is less than the Offer Price. The Merger is subject to the satisfaction or waiver of certain conditions described in "The Offer—Section 13—The Transaction Documents—The Merger Agreement—Conditions to the Merger" of the Offer to Purchase.

If the Offer is consummated, Purchaser does not anticipate seeking a vote of Terns' remaining stockholders before effecting the Merger. The parties to the Merger Agreement have agreed, and the Merger Agreement requires, that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation of the Offer, without a vote of Terns' stockholders, in accordance with Section 251(h) of the DGCL.

The board of directors of Terns (the "Terns Board"), at a meeting duly called and held, has unanimously (i) determined that it is fair to and in the best interests of Terns and its stockholders for Terns to enter into the Merger Agreement and any related agreements contemplated thereby ("Related Agreements"), to perform its obligations thereunder and to consummate the Transactions, including the Offer and the Merger, (ii) declared the Merger Agreement and the Transactions, including the Offer and

the Merger, advisable, (iii) authorized and approved the execution, delivery and performance by Terns of the Merger Agreement and any Related Agreements and the consummation of the Transactions, including the Offer and the Merger, (iv) resolved that the Merger be effected under Section 251(h) of the DGCL as soon as practicable following the consummation (as defined in Section 251(h) of the DGCL) of the Offer and (v) recommended that the stockholders of Terns accept the Offer and tender their Shares to Purchaser pursuant to the Offer, in each case upon the terms and subject to the conditions set forth in the Merger Agreement.

On the date of the Offer to Purchase, Terns will file its Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 (the "**Schedule 14D-9**") with the U.S. Securities and Exchange Commission (the "**SEC**") and disseminate the Schedule 14D-9 to holders of Shares, in connection with the Offer. The Schedule 14D-9 will include a more complete description of the Terns Board's reasons for authorizing and approving the Merger Agreement and the Transactions. Therefore, stockholders of Terns are encouraged to review the Schedule 14D-9 carefully and in its entirety.

Purchaser will not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "**Exchange Act**"), pay for any Shares tendered pursuant to the Offer, if any of the conditions set forth below (the "**Offer Conditions**") is not satisfied or waived in writing by Parent and Purchaser (to the extent waivable by Parent and Purchaser) as of one minute following 11:59 p.m., Eastern Time, on May 4, 2026 (as such date may be extended in accordance with the Merger Agreement and the Offer to Purchase, the "**Expiration Time**"): (a) the number of Shares validly tendered (and not validly withdrawn), considered together with all other Shares (if any) owned by Parent and its affiliates (but excluding Shares that have not yet been "received," as defined by Section 251(h)(6) of the DGCL), would represent one more Share than 50% of the total number of Shares issued and outstanding as of immediately following the consummation of the Offer (the "**Minimum Condition**"); (b) the representations and warranties of Terns as set forth in the Merger Agreement being accurate, subject to the applicable materiality and other qualifiers, and as of such times, as set forth in the Merger Agreement (the "**Representations Condition**"); (c) Terns having complied with or performed in all material respects the covenants and agreements it is required to comply with or perform at or prior to the Expiration Time (or any failure to comply or perform having been cured by such time) (the "**Obligations Condition**"); (d) since the execution and delivery of the Merger Agreement, there not having occurred a Material Adverse Effect (as defined in the Merger Agreement) which is continuing as of the Expiration Time (the "**No MAE Condition**"); (e) Parent and Purchaser having received a certificate executed on behalf of Terns by Terns' Chief Executive Officer or Chief Financial Officer confirming that the Representations Condition, the Obligations Condition and the No MAE Condition have been satisfied (the "**Certificate Condition**"); (f) any waiting period or extension thereof applicable to the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "**HSR Act**") having expired or been terminated and there not being in effect any voluntary agreement between Parent and Terns, on the one hand, and the Federal Trade Commission ("**FTC**") or the Department of Justice ("**DOJ**"), on the other hand, pursuant to which Parent and Terns have agreed not to consummate the Offer or the Merger (together, the "**HSR Clearance Condition**"); (g) there not having been issued by any governmental body of competent jurisdiction and remaining in effect any order, judgment, writ, award, decision, decree, injunction or ruling (whether temporary, preliminary or permanent) that is binding under applicable law and which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger, and there not having any law promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body which remains in effect and which prohibits or makes illegal the acquisition of or payment for Shares pursuant to the Offer or the consummation of the Merger (together, the "**No Restraints Condition**"); and (h) the Merger Agreement not having been terminated in accordance with its terms (the "**Termination Condition**"). These conditions to the Offer are described in "The Offer—Section 15—Conditions to the Offer" of the Offer to Purchase.

Purchaser expressly reserves the right, to the extent permitted by applicable law, to (i) increase the Offer Price, (ii) waive, in whole or in part, any Offer Condition and (iii) make any other changes in the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement. However, without Terns' prior written consent, Purchaser will not, and Parent will cause Purchaser not to, (A) decrease the Offer Price,

(B) change the form of consideration payable in the Offer, (C) decrease the maximum number of Shares sought to be purchased in the Offer, (D) impose conditions to the Offer in addition to the Offer Conditions, (E) amend, modify or waive the Minimum Condition, Termination Condition, HSR Clearance Condition and No Restraints Condition, (F) otherwise amend or modify any of the other terms of the Offer in a manner that adversely affects, or would reasonably be expected to adversely affect, any holder of Shares, (G) terminate the Offer or accelerate, extend or otherwise change the Expiration Time or (H) provide any "subsequent offering period" (or any extension thereof) within the meaning of Rule 14d-11 promulgated under the Exchange Act.

Upon the terms and subject to the conditions of the Offer, Purchaser will promptly accept for payment and pay for all Shares that are validly tendered (and not validly withdrawn) pursuant to the Offer at the Expiration Time. The Merger Agreement does not contemplate a subsequent offering period for the Offer. **Purchaser is not providing for guaranteed delivery procedures.**

Purchaser must (and Parent must cause Purchaser to) extend the Offer for any period required by any law, any interpretation or position of the SEC or its staff or The Nasdaq Global Select Market applicable to the Offer. Further, if, as of the then-scheduled Expiration Time, any Offer Condition is not satisfied and has not been waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent, and other than those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied), Purchaser must (and Parent must cause Purchaser to) extend the Offer from time to time, for an additional period in consecutive increments of up to ten business days (or other period of time agreed by Parent and Terns) per extension, to permit such Offer Condition to be satisfied. However, if each Offer Condition (other than solely the Minimum Condition and those Offer Conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied) has been satisfied or waived by Purchaser or Parent (to the extent waivable by Purchaser or Parent), Purchaser must (and Parent must cause Purchaser to) extend the Offer for additional periods of ten business days per extension in order to permit the Minimum Condition to be satisfied. Such requirement to extend the Offer in order to permit the Minimum Condition to be satisfied will apply only on four separate occasions, after which Purchaser will not be required to so extend the Offer, but may choose to do so at its discretion.

Notwithstanding the foregoing, Purchaser (a) is not required to extend the Offer beyond the earlier of (i) the termination of the Merger Agreement (ii) the End Date (as defined below, and such earlier occurrence, the "**Extension Deadline**"); and (b) is not permitted to extend the Offer beyond three business days prior to the Extension Deadline without the prior written consent of Terns. The "**End Date**" means on or prior to 11:59 p.m., Eastern Time, on September 24, 2026, which End Date will be automatically extended twice, first to December 24, 2026, and then second to March 24, 2027, in each case if, on the applicable End Date before such extension, all of the Offer Conditions (other than the HSR Clearance Condition and, if in respect of any antitrust law, the No Restraints Condition) have been satisfied or waived, to the extent waivable, by Parent or Purchaser (other than conditions that by their nature are to be satisfied at the Expiration Time, each of which is then capable of being satisfied).

Any extension, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof. In the case of an extension of the Offer, Purchaser will inform Computershare Trust Company, N.A. (the "**Depositary**") of that fact and will make a public announcement of the extension no later than 9:00 a.m., Eastern Time, on the business day after the day on which the Offer was scheduled to expire.

If you wish to accept the Offer, and if you are a record holder (*i.e.*, uncertificated stock in book-entry form has been issued to you and you directly hold your Shares in an account with Terns' transfer agent, Computershare Trust Company, N.A.), you must complete and sign the Letter of Transmittal in accordance with the instructions provided therein, and send it with any documents required in the Letter of Transmittal to the Depositary as set forth in Section 3 of the Offer to Purchase. If you hold your Shares through a broker, dealer, commercial bank, trust company or other nominee, you must contact your broker, dealer, commercial bank, trust company or other nominee and give instructions that your Shares be tendered. Please call Innisfree M&A Incorporated, the information agent for the Offer (the "**Information Agent**"), toll free, at (877) 750-2689 for assistance.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment tendered Shares when, as and if Purchaser gives oral or written notice of Purchaser's acceptance to the Depositary. Purchaser will pay for Shares accepted for payment pursuant to the Offer by depositing the purchase price with the Depositary, which will act as your agent for the purpose of receiving payments from Purchaser and transmitting such payments to you. Upon the deposit of such funds with the Depositary, Purchaser's obligation to make such payment will be satisfied in full, and tendering stockholders must thereafter look solely to the Depositary for payment of amounts owed to them by reason of the acceptance for payment of Shares pursuant to the Offer. Under no circumstances will Purchaser pay interest on the consideration paid for Shares pursuant to the Offer, regardless of any extension of the Offer or any delay in making such payment.

Except as otherwise provided in "The Offer—Section 4—Withdrawal Rights" of the Offer to Purchase, tenders of Shares made in the Offer are irrevocable. However, you may withdraw some or all of the Shares that you have previously tendered in the Offer at any time before the Expiration Time and, if such Shares have not yet been accepted for payment as provided herein, any time after June 6, 2026, which is 60 days from the date of the commencement of the Offer.

For your withdrawal to be effective, a written notice of withdrawal with respect to the Shares must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase, and the notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with (except in the case of Shares tendered by a financial institution (including most banks, savings and loan associations and brokerage houses) that is a member of a recognized Medallion Program approved by The Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program and the New York Stock Exchange, Inc. Medallion Signature Program or any other "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 under the Exchange Act) (each, an "**Eligible Institution**")) signatures guaranteed by an Eligible Institution must be submitted before the release of such Shares. If you tendered Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, then you must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange to withdraw the Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered. However, withdrawn Shares may be retendered at any time before the Expiration Time by again following any of the procedures described in "The Offer—Section 3—Procedures for Tendering Shares" of the Offer to Purchase.

Subject to applicable law as applied by a court of competent jurisdiction, Purchaser will determine, in its sole discretion (which may be delegated in whole or in part to the Depositary), all questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares, and our determination will be final and binding. Tendering stockholders have the right to challenge Purchaser's determination with respect to their Shares.

In general, if you are a U.S. Holder (as defined in the Offer to Purchase), your exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or non-U.S. income or other tax laws. You are urged to consult your tax advisor about the tax consequences to you of exchanging your Shares pursuant to the Offer or the Merger in light of your particular circumstances. See "The Offer—Section 5—Material U.S. Federal Income Tax Consequences" of the Offer to Purchase for a more detailed summary of the material U.S. federal income tax consequences of the sale of Shares in the Offer and the Merger.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 promulgated under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

Terns has provided Purchaser with its stockholder list, security position listings and certain other information regarding the beneficial owners of Shares for the purpose of disseminating the Offer to holders of Shares. Purchaser will send this Offer to Purchase, the related Letter of Transmittal and other related documents

to record holders of Shares and to brokers, dealers, commercial banks, trust companies and other nominees whose names appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance and copies of the Offer to Purchase, the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent, at its address and telephone numbers set forth below and will be furnished promptly at Purchaser's expense. Neither Parent nor Purchaser will pay any fees or commissions to any broker or dealer or any other person (other than to the Information Agent and the Depositary, as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks, trust companies and other nominees will, upon request, be reimbursed by Purchaser for reasonable and necessary costs and expenses incurred by them in forwarding the tender offer materials to their customers.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor
New York, New York 10022

Stockholders may call toll free: (877) 750-2689
Banks and Brokers may call collect: (212) 750-5833

April 7, 2026

Exhibit (b)(1)

EXECUTION VERSION

364-DAY DELAYED DRAW TERM LOAN CREDIT AGREEMENT

dated as of

April 1, 2026

among

MERCK & CO., INC.,
as Borrower,

The LENDERS Party Hereto

and

CITIBANK, N.A.,
as Administrative Agent

CITIBANK, N.A.,
BANK OF AMERICA, N.A.,
JPMORGAN CHASE BANK, N.A.
and
GOLDMAN SACHS BANK USA
Joint Lead Arrangers and Joint Bookrunners

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364-DAY DELAYED DRAW TERM LOAN CREDIT AGREEMENT dated as of April 1, 2026 (this "**Agreement**") among MERCK & CO., INC., a New Jersey corporation (the "**Borrower**"), the LENDERS party hereto, and CITIBANK, N.A., as Administrative Agent.

W I T N E S S E T H :

WHEREAS, the Borrower has requested that the Lenders make available, for the purposes specified in this Agreement, a 364-day delayed draw term loan facility; and

WHEREAS, the Lenders are willing to make available to the Borrower such facility upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 *Defined Terms*. As used in this Agreement, the following terms have the meanings specified below:

"**ABR**" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

"**Adjusted Daily Simple SOFR**" means an interest rate per annum equal to the Daily Simple SOFR; *provided that* if the Adjusted Daily Simple SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"**Adjusted Term SOFR Rate**" means, for any Interest Period, an interest rate per annum equal to the Term SOFR Rate for such Interest Period; *provided* that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"**Administrative Agent**" means Citibank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"**Administrative Questionnaire**" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such Person. In no event shall the Administrative Agent or any Lender be deemed to be an Affiliate of the Borrower or any of its Subsidiaries.

"**Alternate Base Rate**" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%; *provided* that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. (Chicago time) on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.13 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.13(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"**Alternative Return Date**" has the meaning assigned to such term in Section 2.10(e).

"**Ancillary Document**" has the meaning assigned to it in Section 9.06(b).

"**Anti-Corruption Laws**" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

"**Applicable Lending Office**" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of ABR Borrowings and such Lender's Term Benchmark Lending Office in the case of Term Benchmark Borrowings.

"**Applicable Party**" has the meaning assigned to it in Section 8.03(c).

"**Applicable Percentage**" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment; *provided* that in the case of Section 2.19 when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired in their entirety, the Applicable Percentages shall be determined based upon the amounts of the outstanding Loans or, if no Loans are outstanding, based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"**Approved Electronic Platform**" has the meaning assigned to it in Section 8.03(a).

"**Approved Fund**" has the meaning assigned to such term in Section 9.04(b).

"**Asset Sale**" means any non-ordinary course sale, transfer, leases (to the extent classified and accounted for as capital or finance lease obligations under GAAP) or other disposition (each, a "**Disposition**") of or with respect to any assets of the Borrower or any of its Subsidiaries, including any Equity Interests of any Subsidiary, except for Dispositions (a) among the Borrower and its Subsidiaries, (b) of cash, cash equivalents or other assets classified as current assets on the balance sheet of the Borrower, (c) of obsolete, used or surplus equipment, (d) of assets in the Borrower's general investment portfolio or of investments made in venture funds in the ordinary course of business and (e) the Net Cash Proceeds of which do not exceed $1,000,000,000 in the aggregate.

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"**Attributable Debt**" means, as to any particular lease under which the amount thereof is to be determined, the lesser of (i) the total net amount of rent (discounted from the respective due dates thereof in accordance with generally accepted financial practice using a discount factor equal to the interest rate implicit in such lease compounded semi-annually), required to be paid by the lessee under such lease during the remaining term thereof (including the period of any extensions) or (ii) the fair market value of the Property subject to such lease (as determined by the Borrower). The net amount of rent required to be paid under any such lease for any such period shall be the total amount of rent payable by the lessee with respect to such period, but may exclude amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales or future increases in wage rates or in the cost of living). In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, and no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (f) of Section 2.13.

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"**Bail-In Legislation**" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"**Benchmark**" means, initially, with respect to any (i) RFR Loan, the Daily Simple SOFR or (ii) Term Benchmark Loan, the Term SOFR Rate; *provided* that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the Daily Simple SOFR or Term SOFR Rate, as applicable, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.13.

"**Benchmark Replacement**" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) Adjusted Daily Simple SOFR; and

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"**Benchmark Replacement Adjustment"** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"**Benchmark Replacement Date**" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; *provided* that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Unavailability Period**" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13.

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" means 31 C.F.R. § 1010.230.

"**Benefit Plan**" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"**BHC Act Affiliate**" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**Board**" means the Board of Governors of the Federal Reserve System of the United States.

"**Board of Directors**" means the Board of Directors of the Borrower or any duly authorized committee thereof.

"**Borrower**" has the meaning assigned to such term in the preamble to this Agreement.

"**Borrowing**" means Loans of the same Type made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

"**Borrowing Request**" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"**Business Day**" means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City; *provided* that, in addition to the foregoing, a Business Day shall be (a) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings of such RFR Loan and (b) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is only a U.S. Government Securities Business Day.

"**Capital Lease Obligations**" means as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real or personal property or a combination thereof, which obligations are required to be classified and accounted for as a capital lease or financing lease on a balance sheet of such Person under GAAP and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"**Change in Law**" means (a) the adoption of any law, rule, regulation or treaty after the date of this Agreement, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided*, *however*, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"**Change in Tax Law**" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (including the Code), treaty, regulation or rule (or in the official application or interpretation of any law, treaty, regulation or rule, including a holding, judgment or order by a court of competent jurisdiction) relating to United States income taxation.

"**Change of Control**" means any of the following events:

(a) after the date of this Agreement, any Person or group of Persons (within the meaning of Section 13 or 14 of the Exchange Act, whether or not applicable, except that for purposes of this paragraph (a) such Person or group of Persons shall be deemed to have "beneficial ownership" of all shares that such Person or group of Persons has the right to acquire, whether such right is exercisable immediately or only after the passage of time), other than (i) the Borrower or (ii) any employee or director benefit or stock plan or plans of the Borrower or a Subsidiary of the Borrower or any trustee or fiduciary with respect to any such plan or plans when acting in that capacity or any trust related to any such plan or plans, is or becomes the "beneficial owner" (as such term is used in Rule 13-d3 promulgated pursuant to the Exchange Act) acquiring, directly or indirectly, beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of 25% or more of the outstanding shares of Voting Stock of the Borrower; or

(b) during any period of 25 consecutive calendar months, a majority of the Board of Directors of the Borrower shall no longer be composed of individuals (i) who were members of said Board on the first day of such period, (ii) whose election or nomination to said Board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of said Board or (iii) whose election or nomination to said Board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of said Board.

"**Change of Control Notice**" has the meaning specified in Section 2.08(d).

"**Change of Control Prepayment Amount**" has the meaning specified in Section 2.08(d).

"**Change of Control Standstill Period**" has the meaning specified in Section 2.08(d).

"**Charges**" has the meaning assigned to such term in Section 9.16.

"**Closing Date**" means the date, on or after the Effective Date, on which the Project Thailand Transaction is consummated, subject to the satisfaction (or waiver in accordance with Section 9.02) of the conditions specified in Section 4.02.

"**CME Term SOFR Administrator**" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Commitment**" means, with respect to each Lender, the commitment of such Lender to make Loans pursuant to Section 2.01, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is $6,000,000,000.

"**Commitment Termination Date**" means the earliest of (i) the termination of the Project Thailand Transaction Agreement by the Borrower in a signed writing in accordance with its terms (or the Borrower's written confirmation thereof) (and the Borrower hereby agrees to notify the Administrative Agent upon the occurrence thereof), (ii) the consummation of the Project Thailand Transaction without the funding of the Loans, (iii) the Maturity Date and (iv) receipt by the Administrative Agent of written notice from the Borrower of its election to terminate the Commitments in full.

"**Communications**" has the meaning assigned to it in Section 8.03(c).

"**Company Material Adverse Effect**" means "Material Adverse Effect" as defined in the Project Thailand Transaction Agreement (as in effect on the Effective Date).

"**Consolidated Net Tangible Assets**" means the aggregate amount of assets of the Borrower and its Subsidiaries (less applicable reserves and other properly deductible items) after deducting therefrom (i) all current liabilities of the Borrower and its Subsidiaries and (ii) all goodwill, trade names, trademarks, patents, and unamortized debt discount and expense, organization expenses and other like intangibles of the Borrower and its Subsidiaries, all as set forth on the latest available consolidated balance sheet of the Borrower and its Subsidiaries as of the last day of a calendar quarter (but, in any event, as of a date within 150 days of the date of determination), prepared in accordance with GAAP.

"**Contractual Obligation**" means as to any Person, any obligation of such Person under any agreement or instrument to which such Person is a party or by which it or any of its Property is bound.

"**Control**" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Corresponding Tenor**" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"**Covered Entity**" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Covered Party**" has the meaning assigned to it in Section 9.18.

"**Credit Exposure**" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Loans at such time.

"**Credit Group**" means the Borrower and its Subsidiaries.

"**Credit Party**" means the Administrative Agent or any other Lender.

"**Daily Simple SOFR**" means, for any day (a "**SOFR Rate Day**"), a rate per annum equal SOFR for the day (such day "**SOFR Determination Date**") that is five (5) U.S. Government Securities Business Day prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"**Debt Issuance**" means the borrowing, issuance or other incurrence of Indebtedness for borrowed money (including hybrid securities and debt securities convertible into equity), in each case, by the Borrower or any of its Subsidiaries, including without limitation any issuance of notes of the Borrower to fund the Project Thailand Transaction, but excluding (a) Indebtedness between or among the Borrower and any of its Subsidiaries, (b) Indebtedness under the Existing Credit Agreement, including any amendment, restatement, amendment and restatement, extension or replacement thereof, including any upsizing thereof by an aggregate principal amount not to exceed $250,000,000, (c) issuances of commercial paper, (d) Indebtedness incurred in respect of overdraft protection, letter of credit facilities and purchase money and equipment financings, (e) Indebtedness incurred in respect of (i) capital leases and trade, seller, customer or supply chain financing facilities in an aggregate amount under this clause (i) not to exceed $1,000,000,000, (ii) local credit facilities of foreign Subsidiaries and (iii) working capital facilities (including, in each case, the renewal, replacement or refinancing thereof with the same general form of financing) and (f) other Indebtedness for borrowed money in an aggregate principal amount not to exceed $1,000,000,000.

"**Default**" means any Event of Default or any event that with notice or lapse of time or both would become an Event of Default.

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**Defaulting Lender**" means any Lender, as reasonably determined by the Administrative Agent, that has (a) failed to comply with its obligation to fund any portion of its Loans (unless such requirement to fund is subject to a good faith dispute) within two (2) Business Days of the date such Loans or participations were required to be funded hereunder, (b) notified the Borrower or the Administrative Agent in writing that it does not intend to comply with any of its funding obligations under this Agreement (unless such requirement to fund is subject to a good faith dispute), or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such requirement to fund is subject to a good faith dispute) or generally under agreements in which it has committed to extend credit, (c) failed, within three (3) Business Days after written request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans under this Agreement; *provided* that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due unless the subject of a good faith dispute, (e) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (f) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of an Equity Interest in such Lender or a parent company thereof by a Governmental Authority or an instrumentality thereof.

"**dollars**" or "**$**" refers to lawful money of the United States.

"**Domestic Lending Office**" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" in such Lender's Administrative Questionnaire, or such other office of such Lender as such Lender may from time to time notify the Borrower and the Administrative Agent.

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Effective Date**" has the meaning assigned to it in Section 4.01.

"**Electronic Signature**" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"**Eligible Assignee**" means (i) a Lender, (ii) an Affiliate of a Lender, (iii) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of $10,000,000,000, (iv) a commercial bank having total assets in excess of $10,000,000,000 or its equivalent in the relevant foreign currency and organized under the laws of any other country (or of any political subdivision of any other country) that (x) is a member of the Organization for Economic Cooperation and Development (or any successor thereto) ("OECD") or (y) has concluded special lending arrangements with the International Monetary Fund associated with its assets; *provided* that in each case, such bank is acting through a branch or agency located in the country in which it is organized or another country that is described in this clause (iv), (v) the central bank of any country which is a member of the OECD, (vi) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans for its own account in the ordinary course of its business and having total assets in excess of $10,000,000,000 or its equivalent in the relevant foreign currency, (vii) any Approved Fund and (viii) any other Person approved by the Administrative Agent and, unless an Event of Default shall have occurred and be continuing, the Borrower, such approval not to be unreasonably withheld or delayed; *provided* that none of the Borrower, any Affiliate of the Borrower or an individual shall qualify as an Eligible Assignee.

"**Environmental Laws**" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, or the management, release or threatened release of, or exposure to, any Hazardous Materials.

"**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Credit Group directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Equity Interests**" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"**Equity Issuance**" means the issuance of any Equity Interests (including equity-linked securities) of the Borrower or any of its Subsidiaries to any Person, except for Equity Issuances (a) pursuant to employee stock plans or other benefit or incentive arrangements for employees and directors, (b) to or by any Subsidiary of the Borrower to the Borrower or any other Subsidiary of the Borrower, (c) of directors' qualifying shares, (d) as direct consideration in a permitted acquisition or investment and (e) in connection with the conversion of options or warrants.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"**ERISA Event**" means (a) any "**reportable event**," as defined in Section 4043 of ERISA and the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived), (b) the existence with respect to any Plan of an "**accumulated funding deficiency**" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, or any Lien shall arise in favor of the PBGC or a Plan on the property of the Borrower or any ERISA Affiliate, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan, (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of withdrawal liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Event**" has the meaning assigned to such term in the definition of Material Adverse Change.

"**Events of Default**" has the meaning assigned to such term in Article 7.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Excluded Taxes**" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder or under any of the other Loan Documents, (a) any Taxes imposed, deducted or withheld by reason of any present or former connection between the Administrative Agent or such Lender or other recipient (as the case may be) and the jurisdiction imposing such Taxes (other than solely on account of the execution and performance of, the enforcement of any right under or the receipt of any payment under, this Agreement or any of the other Loan Documents), (b) any branch profits taxes imposed by the United States or any comparable tax imposed by any foreign jurisdiction, (c) in the case of a Foreign Lender, any Tax imposed, deducted or withheld (i) that is attributable to such Foreign Lender's failure, inability or ineligibility at any time during which such Foreign Lender is a party to this Agreement to deliver the Internal Revenue Service forms and the Section 2.16(e) Certificate (as applicable) described in Section 2.16(e), except to the extent such Foreign Lender's failure is due to a Change in Tax Law occurring after the date on which such Foreign Lender became a party to this Agreement or the date (if any) on which such Foreign Lender changed its Applicable Lending Office, or (ii) that is imposed pursuant to a law in effect at the time of the assignment to such Foreign Lender and its becoming a party to this Agreement, except to the extent that such Foreign Lender's assignor was entitled, at the time of such assignment, to receive additional payments from the Borrower with respect to such accrued amounts pursuant to Section 2.16(a) and (d) Taxes resulting from FATCA.

"**Existing Credit Agreement**" means the 5-Year Credit Agreement dated as of May 31, 2023, among the Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent, as amended, restated, amended and restated, supplemented or otherwise modified prior to the Effective Date.

"**Expiration Time**" has the meaning assigned to it in the Project Thailand Transaction Agreement.

"**FATCA**" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is comparable and not materially more onerous to comply with), any regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreements entered into pursuant to the foregoing and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"**Federal Funds Effective Rate**" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; *provided* that if the Federal Funds Effective Rate determined in accordance with the foregoing would otherwise be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System of the United States of America.

"**Fee Letter**" means the fee letter dated as of the date hereof between Citigroup Global Markets Inc. and the Borrower.

"**Financial Officer**" of any Person means such Person's chief financial officer, principal accounting officer or treasurer, assistant treasurer or any officer of such Person who succeeds to all or substantially all of the responsibilities thereof.

"**Floor**" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate and the Adjusted Daily Simple SOFR shall be 0.00%.

"**Foreign Lender**" means any Lender or any recipient of any payment under the Fee Letter that is not a United States Person.

"**Funded Debt**" means Indebtedness (other than Indebtedness of the type specified in clause (g) of the definition thereof).

"**Funding Date**" means the date on which Borrowings are funded to the Borrower in accordance with Section 2.06.

"**GAAP**" means generally accepted accounting principles in effect in the United States from time to time.

"**Governmental Authority**" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Guarantee**" of or by any Person (the "**guarantor**") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease Property or services for the purpose of assuring the holder of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; *provided* that the term Guarantee shall not include endorsements for deposit or collection in the ordinary course of business.

"**Hazardous Materials**" means all radioactive substances or wastes and all hazardous or toxic substances or other wastes, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"**Hedging Agreement**" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or combination of such transactions.

"**Indebtedness**" of any Person means (a) all obligations of such Person for borrowed money or evidenced by bonds, debentures, notes or other similar instruments, (b) all obligations of such Person to pay the deferred purchase price of Property or services, except current accounts payable arising in the ordinary course of business, (c) all Capital Lease Obligations of such Person, (d) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person, (e) all Indebtedness of others Guaranteed by such Person, (f) all reimbursement obligations or other obligations (other than contingent obligations) with respect to bankers' acceptances or letters of credit or similar instruments created or issued at the request of such Person and (g) the net liability of such Person under Hedging Agreements.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Indemnitee**" has the meaning assigned to it in Section 9.03(c).

"**Index Debt**" means the senior, unsecured, long-term Indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancements.

"**Information**" has the meaning assigned to it in Section 9.12.

"**Interest Election Request**" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.07, which shall be substantially in the form of Exhibit C or any other form approved by the Administrative Agent.

"**Interest Payment Date**" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Maturity Date, (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and the Maturity Date.

"**Interest Period**" means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment), as the Borrower may elect; *provided* that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.13(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"**Joint Lead Arrangers**" means Citibank, N.A., Bank of America, N.A., JPMorgan Chase Bank, N.A. and Goldman Sachs Bank USA, in their respective capacities as joint lead arrangers and joint bookrunners in connection with this Agreement.

"**Lender-Related Person**" has the meaning assigned to it in Section 9.03(b).

"**Lenders**" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"**Liability**" or "**Liabilities**" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"**Lien**" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, charge, hypothecation, encumbrance or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Loan Documents**" means this Agreement, the Notes (if any), and the Fee Letter.

"**Loans**" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"**Material Adverse Change**" means that since December 31, 2025, there has occurred any event, change, development, effect, condition, circumstance, matter, occurrence or state of facts (each, an "**Event**") or Events that have had or would be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, except that any effect resulting from any matter disclosed in the annual report on Form 10-K for the Borrower for the year ended December 31, 2025 (other than disclosures in the "Risk Factors" or "Forward Looking Statements" sections of such reports or any other disclosures in such reports to the extent they are similarly predictive or forward-looking in nature) shall not be considered when determining whether a Material Adverse Effect shall have occurred.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, condition (financial or otherwise) or operations of the Credit Group taken as a whole, (b) the ability of the Borrower to perform any of its obligations hereunder or under the other Loan Documents or (c) the rights or remedies of the Lenders or the Administrative Agent hereunder or under the other Loan Documents.

"**Maturity Date**" means the date that is 364 days after the Funding Date ; *provided* that if such date is not a Business Day, the Maturity Date shall be the immediately preceding Business Day.

"**Maximum Rate**" has the meaning assigned to such term in Section 9.16.

"**Multiemployer Plan**" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"**Net Cash Proceeds**" means:

(a) with respect to any Asset Sale, the aggregate amount of all cash (which term, for the purpose of this definition, shall include cash equivalents) proceeds (including any cash or proceeds of cash equivalents received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or otherwise, but only as and when received) actually received by the Borrower and its Subsidiaries in respect of such Asset Sale, net of (i) selling costs and expenses, including all reasonable attorneys' fees, accountants' fees, brokerage, consultant and other customary fees and commissions, title and recording tax expenses and other reasonable fees and expenses incurred in connection therewith, (ii) all Taxes paid or reasonably estimated to be payable as a result thereof (including taxes resulting from the repatriation of such cash proceeds from a Subsidiary organized outside of the United States), (iii) all payments required to be made with respect to any obligation that is secured by any assets subject to such Asset Sale in accordance with the terms of any Lien upon such assets, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale, or to any other Person (other than the Borrower or any of its Subsidiaries) owning a beneficial interest in the assets disposed of in such Asset Sale, (v) the amount of any reserves established by the Borrower or any of its Subsidiaries in accordance with generally accepted accounting principles to fund purchase price or similar adjustments, indemnities or liabilities, contingent or otherwise, reasonably estimated to be payable in connection with such Asset Sale (*provided*, that to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds) and (vi) any funded escrow established pursuant to the documents evidencing any such Asset Sale to secure any indemnification obligations or adjustments to the purchase price associated with any such Asset Sale (*provided*, that to the extent that any amounts are released from such escrow to the Borrower or a Subsidiary, such amounts net of any related expenses shall constitute Net Cash Proceeds); and

(b) with respect to any Equity Issuance or Debt Issuance, the aggregate amount of all cash proceeds actually received by the Borrower and its Subsidiaries in respect of such Equity Issuance or Debt Issuance, as the case may be, net of reasonable fees, expenses, costs, underwriting discounts and commissions incurred in connection therewith and net of Taxes paid or reasonably estimated to be payable as a result thereof.

"**Note**" has the meaning assigned to such term in Section 2.09(e).

"**NYFRB**" means the Federal Reserve Bank of New York.

"**NYFRB Rate**" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided*, *further*, that if any of the aforesaid rates as so determined shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

"**NYFRB's Website**" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"**Other Taxes**" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar Taxes arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, the Loan Documents that are imposed by a Governmental Authority in a jurisdiction in which the Borrower is incorporated, organized, managed and controlled or otherwise has a connection (other than solely as a result of entering into, performing any obligations, receiving any payments or enforcing any rights under, this Agreement or any of the other Loan Documents).

"**Overnight Bank Funding Rate**" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"**Participant**" has the meaning assigned to such term in Section 9.04(c)(i).

"**Participant Register**" has the meaning assigned to such term in Section 9.04(c)(iii).

"**PATRIOT Act**" has the meaning assigned to such term in Section 9.13.

"**Payment**" has the meaning assigned to it in Section 8.06(c)(i).

"**Payment Notice**" has the meaning assigned to it in Section 8.06(c)(ii).

"**PBGC**" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"**Permitted Securitization**" means any transaction in which any member of the Credit Group sells or otherwise transfers, without recourse to such Person (other than in the case of breach of representation and other limited recourse customary in securitization transactions), an interest in accounts receivable or other present or future rights to payment and assets directly related thereto to a special purpose entity that (a) borrows against such accounts receivable, rights or assets, or (b) sells such accounts receivable, rights or assets to one or more third party purchasers.

"**Person**" means an individual, a corporation, a company, a voluntary association, a partnership, a trust, a joint venture, a limited liability company, an unincorporated organization, or a government or any agency, instrumentality or political subdivision thereof.

"**Plan**" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "**employer**" as defined in Section 3(5) of ERISA.

"**Plan Asset Regulations**" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"**Pre-Closing Funded Amount**" has the meaning assigned to such term in Section 2.06(b).

"**Pre-Closing Funding Date**" means the date that is 1 or 2 Business Days (as selected by the Borrower) prior to the expected Closing Date.

"**Pre-Closing Funding Election**" means the election by the Borrower to cause the Pre-Closing Funded Amount to be funded to the Borrower on the Pre-Closing Funding Date.

"**Prime Rate**" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"**Principal Facility**" means any warehouse or office building, any manufacturing or processing plant or any research facility owned or leased by the Borrower or any Subsidiary (taken together with the land upon which it is erected and the fixtures comprising a part thereof) which is located within the continental United States or Puerto Rico, except any such warehouse, office building, plant or research facility or portion thereof which is financed by industrial development or pollution control bonds or which, in the opinion of the Borrower, is not of material importance to the total business conducted by the Borrower and its Subsidiaries considered as one entity.

"**Project Thailand Acquisition Related Conditions**" means the conditions set forth in Sections 4.02(a), (c) and (d).

"**Project Thailand Target**" means Terns Pharmaceuticals, Inc.

"**Project Thailand Transaction**" means (i) the acquisition by the Borrower, directly or through one or more Subsidiaries, of the capital stock of the Project Thailand Target pursuant to the Project Thailand Transaction Agreement and (ii) the payment of fees and expenses incurred in connection therewith.

"**Project Thailand Transaction Agreement**" means that certain agreement and plan of merger by and among Terns Pharmaceuticals, Inc., Merck Sharp Dohme LLC and Thailand Merger Sub, Inc., dated as of March 24, 2026, as the same may be as amended, modified, supplemented, restated, or replaced from time to time.

"**Property**" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"**PTE**" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"**QFC**" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"**QFC Credit Support**" has the meaning assigned to it in Section 9.18.

"**Quarterly Date**" shall mean the last day of each March, June, September and December in each year, the first of which shall be the first such day after the date hereof; *provided* that, if any such day is not a Business Day, then such Quarterly Date shall be the next preceding Business Day.

"**Rating**" means the rating assigned by Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. to the 364-day delayed draw term loan facility under this Agreement, or if no such rating is assigned, the rating assigned to the Index Debt.

"**Reference Time**" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two (2) U.S. Government Securities Business Days preceding the date of such setting , (2) if the RFR for such Benchmark is Daily Simple SOFR, then four (4) Business Days prior to such setting or (3) if such Benchmark is neither the Term SOFR Rate nor Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"**Register**" has the meaning assigned to such term in Section 9.04(b)(iv).

"**Regulation D**" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"**Regulation U**" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"**Regulatory Authority**" has the meaning assigned to such term in Section 9.12.

"**Related Parties**" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"**Relevant Governmental Body**" means, the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

"**Relevant Rate**" means (i) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (ii) with respect to any RFR Borrowing, the Adjusted Daily Simple SOFR, as applicable.

"**Required Lenders**" means, at any time, subject to Section 2.19, Lenders having (i) prior to the making of Loans on the Funding Date, Commitments representing more than 50% of the Aggregate Commitments at such time, and (ii) on and after the funding of the Loans on the Funding Date, Loans in aggregate principal amount representing more than 50% of the aggregate principal amount of all outstanding Loans at such time, except the Loans and Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"**Requirement of Law**" means, as to any Person, any law, treaty or regulation, or any order of any Governmental Authority, that is applicable to or binding upon such Person or any of its Property or to which such Person or such Property is subject, and the certificate of incorporation, by-laws or other organizational or governing documents of such Person.

"**Resolution Authority**" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"**Responsible Officer**" means the president, Financial Officer or other executive officer of the Borrower.

"**Restricted Securities**" has the meaning assigned to such term in Section 6.01(a).

"**Restricted Subsidiary**" means:

(a) any Subsidiary (i) substantially all the Property of which is located or substantially all of the business of which is carried on within the continental United States or Puerto Rico and (ii) that owns or leases a Principal Facility; and

(b) any Subsidiary substantially all of the Property of which consists of capital stock or securities of Subsidiaries described in clause (a) of this paragraph.

provided, *however*, that the term "Restricted Subsidiary" shall not include a Securitization Entity or any Subsidiary which is principally engaged in leasing or in financing installment receivables, extending credit or in other activities of a character conducted by a finance company or which is principally engaged in financing the Borrower's operations outside the continental United States, or any Subsidiary the major portion of the Property of which consists of one or more general or limited partnership interests so long as no such interest represents more than 50% of the total ownership interest in such partnership; *provided* that, if at any time there is a question whether a Subsidiary is described in the foregoing clause (a) or (b), such matter shall be determined for all purposes of this Agreement by the Borrower.

"**Return Date**" has the meaning assigned to such term in Section 2.10(d).

"**RFR Borrowing**" means, as to any Borrowing, the RFR Loans comprising such Borrowing.

"**RFR Loan**" means a Loan that bears interest at a rate based on the Adjusted Daily Simple SOFR.

"**Sanctioned Country**" means, at any time, a country, region or territory which is itself the subject or target of comprehensive Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, the non-government controlled areas of the Zaporizhzhia and Kherson Regions of Ukraine, Cuba, Iran and North Korea).

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the U.S. government, including the Office of Foreign Assets Control of the U.S. Department of the Treasury and the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, the United Kingdom or other relevant sanctions authority, (b) any Person located, organized or resident in a Sanctioned Country, (c) any Person 50% or greater owned or otherwise controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

"**Sanctions**" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or the United Kingdom.

"**SEC**" means the Securities and Exchange Commission.

"**Section 2.16(e) Certificate**" has the meaning assigned to such term in Section 2.16(e).

"**Securitization Entity**" shall mean any entity formed by or at the direction of the Borrower or one or more of its Affiliates in connection with a Permitted Securitization for the purpose of isolating, to the extent practicable under applicable law, the assets and liabilities of such entity from the assets and liabilities of any other Person (including, but not limited to, the Borrower and its Affiliates).

"**Significant Subsidiary**" means, at any time, a Subsidiary that as of such time satisfies the requirements of Rule 1-02(w) of Regulation S-X of the SEC as in effect on the date of this Agreement.

"**SOFR**" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**SOFR Administrator**" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"**SOFR Administrator's Website**" means the NYFRB's Website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"**SOFR Determination Date**" has the meaning specified in the definition of "Daily Simple SOFR".

"**SOFR Rate Day**" has the meaning specified in the definition of "Daily Simple SOFR".

"**Specified Representations**" means the representations and warranties made in respect of the Borrower, in Sections 3.01(a), 3.01(b), 3.02, 3.03 (solely with respect to not violating the organizational or governing documents of the Borrower or any document or instrument binding upon the Borrower or any of its Subsidiaries evidencing Indebtedness in a committed or outstanding principal amount in excess of $350,000,000), 3.04, 3.10, 3.11 and 3.15 (limited to the use of proceeds not violating the laws referenced therein).

"**Specified Transaction Agreement Representations**" means, with respect to the Project Thailand Transaction Agreement, the representations and warranties made by or with respect to the Project Thailand Target in the Project Thailand Transaction Agreement as are material to the interest of the Lenders, but only to the extent that the Borrower has the right (taking into account any right to cure) to terminate its obligations under the Project Thailand Transaction Agreement or to decline to consummate the Project Thailand Transaction thereunder as a result of a breach of one or more of such representations and warranties in the Project Thailand Transaction Agreement.

"**Subsidiary**" means, with respect to any Person (the "parent"), any Person of which at least a majority of the outstanding shares of Voting Stock is at the time directly or indirectly owned or controlled by the parent, or by one or more Subsidiaries of the parent, or by the parent and one or more Subsidiaries.

"**Supported QFC**" has the meaning assigned to it in Section 9.18.

"**Taxes**" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto, imposed by any Governmental Authority.

"**Term Benchmark**" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate.

"**Term Benchmark Lending Office**" means, with respect to any Lender, the office of such Lender specified as its "Term Benchmark Lending Office" in such Lender's Administrative Questionnaire (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time notify the Borrower and the Administrative Agent.

"**Term SOFR Determination Day**" has the meaning assigned to it under the definition of Term SOFR Reference Rate.

"**Term SOFR Rate**" means, with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m. (Chicago time) two (2) U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"**Term SOFR Reference Rate**" means, for any day and time (such day, the "**Term SOFR Determination Day**"), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

"**Terminating Lenders**" has the meaning specified in Section 2.08(d).

"**Type**," when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Alternate Base Rate or the Adjusted Daily Simple SOFR.

"**UK Financial Institutions**" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"**UK Resolution Authority**" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"**Unadjusted Benchmark Replacement**" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"**Undrawn Fee**" has the meaning assigned to such term in Section 2.11(a).

"**Undrawn Fee Payment Date**" has the meaning assigned to such term in Section 2.11(a).

"**United States**" and "**United States Person**" have the meanings specified in Sections 7701(a)(9) and 7701(a)(30), respectively, of the Code.

"**U.S. Government Securities Business Day**" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

*"***U.S. Special Resolution Regimes***"* has the meaning assigned to it in Section 9.18.

"**Voting Stock**" means Equity Interests in a Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors, or persons exercising similar functions, of such Person.

"**Write-Down and Conversion Powers**" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02 *Types of Borrowings*. Borrowings are classified and referred to for purposes of this Agreement by Type (*e.g.*, a "Term Benchmark Borrowing" is a Borrowing comprised of Term Benchmark Loans, an "RFR Borrowing" is a Borrowing comprised of RFR Loans). Loans also may be classified and referred to by Type (*e.g.*, a "Term Benchmark Loan" or an "RFR Loan").

Section 1.03 *Terms Generally*. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.04 *Accounting Terms; GAAP*. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.05 *Interest Rates; Benchmark Notification*. The interest rate on a Loan denominated in dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.13(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.06 *[Reserved]*.

Section 1.07 *Divisions*. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE 2
THE CREDITS

Section 2.01 *Commitments*. Subject to the terms and conditions set forth herein, each Lender agrees to make Loans to the Borrower in a single drawing in an aggregate principal amount not to exceed such Lender's Commitment. Each Lender's Commitment shall automatically be reduced to zero upon the making of such Loan or Loans effective immediately following the making of such Loan or Loans by such Lender. The Commitments are not revolving in nature, and amounts borrowed and repaid or prepaid hereunder may not be reborrowed. Notwithstanding the foregoing, unless approved by the Required Lenders, the Borrower may not request any Loans hereunder while a Change of Control Standstill Period shall be in effect under Section 2.07(d) hereof.

Section 2.02 *Loans and Borrowings*. (a) Each Loan (including, for the avoidance of doubt, any Pre-Closing Funded Amount) shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or Term Benchmark Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Term Benchmark Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that (i) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and (ii) in the case of any such Loan made by an Affiliate of such Lender, such Lender shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than it would have received had the Lender, and not such Affiliate, funded such Loan, and such Lender shall not be entitled to the benefits of Section 2.16 with respect to any payments on or with respect to such Loan unless such Affiliate complies with Section 2.16(e) as if it were the Lender.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $10,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $1,000,000. Borrowings of more than one Type may be outstanding at the same time; *provided* that there shall not at any time be more than a total of ten (10) Term Benchmark Borrowings or RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

Section 2.03 *Requests for Borrowings*. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request (a)(i) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m. (New York City time) three (3) U.S. Government Securities Business Days before the date of the proposed Borrowing or (ii) in the case of an RFR Borrowing, not later than 11:00 a.m. (New York City time) five (5) U.S. Government Securities Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m. (New York City time) on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower; provided that any Borrowing Request may be conditioned on the consummation of the Project Thailand Transactions. Each such written Borrowing Request shall specify the following information in compliance with Section 2.02:

(ii) the aggregate amount of the requested Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing (or, solely to the extent applicable pursuant to Section 2.13, an RFR Borrowing);

(v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period;" and

(vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

For the avoidance of doubt, no Borrowing shall be made as an RFR Borrowing except subject to the provisions of Section 2.13. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one (1) month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04 [*Reserved*].

Section 2.05 [*Reserved*].

Section 2.06 *Funding of Borrowings*. (a) If a Pre-Closing Funding Election has not been made, each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by (x) in the case of a Term Benchmark Borrowing, 12:00 noon (New York City time) and (y) in the case of an ABR Borrowing, 1:00 p.m. (New York City time) to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request.

(b) Notwithstanding the foregoing clause 2.06(a), if a Pre-Closing Funding Election has been made, subject solely to the satisfaction (or waiver in accordance with Section 9.02) of the conditions set forth in Section 4.02 (other than the Project Thailand Acquisition Related Conditions), each Lender will make available each Loan to be made by it hereunder on the Pre-Closing Funding Date by wire transfer in

immediately available funds by 11:00 a.m. (New York City time) to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders (such amounts, the "**Pre-Closing Funded Amount**"). The Administrative Agent will make the Pre-Closing Funded Amount available to the Borrower by close of business on the Pre-Closing Funding Date by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request. For the avoidance of doubt, (x) the funding of the Pre-Closing Funded Amount shall constitute a Borrowing by the Borrower and shall accrue interest in accordance with Section 2.12(a), until such amount has been returned by the Borrower on the Return Date in accordance with Section 2.10(d) and (y) the Lenders' Commitments shall automatically and irrevocably terminate upon the making of the Loans on the Pre-Closing Funding Date and shall not be reinstated upon any repayment of the Funded Amount in accordance with Section 2.10(d) or (e). If a Pre-Closing Funding Election is made and the Loans are funded on the Pre-Closing Funding Date, or if the Loans are funded and the Closing Date is delayed because the Expiration Time has not yet occurred, the Borrower shall promptly upon the occurrence of the Closing Date (x) notify the Administrative Agent in writing thereof and (y) deliver a certificate to the Administrative Agent dated as of the Closing Date and signed by a Responsible Officer of the Borrower, certifying that the Project Thailand Acquisition Related Conditions have been satisfied.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or, in the case of an ABR Borrowing, prior to 1:30 p.m. (New York City time) on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.06(b) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.07 *Interest Elections*. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(ii) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(iii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iv) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing (or, solely to the extent applicable pursuant to Section 2.13, an RFR Borrowing); and

(v) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

For the avoidance of doubt, no Interest Rate Election Request shall elect an RFR Borrowing except subject to the provisions of Section 2.13. If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one (1) month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing without the prior consent of the Required Lenders and (ii) unless repaid, (A) each Term Benchmark Borrowing and (B) each RFR Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.08 *Termination and Reduction of Commitments*. (a) Unless previously terminated, the Commitments shall terminate on the Commitment Termination Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; *provided* that each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $10,000,000.

(c) The Commitments shall automatically and immediately be reduced in an amount equal to (i) the aggregate committed amount with respect to any Debt Issuance that has become effective on or after the Effective Date but prior to the Closing Date or the Pre-Closing Funding Date, as applicable and (ii) 100% of the Net Cash Proceeds received by the Borrower or any Subsidiary from any Debt Issuance (but without duplication of any reduction of Commitments upon the effectiveness of the commitment thereof under clause (i) above), Equity Issuance or Asset Sale on or after the Effective Date but prior to

the Closing Date or the Pre-Closing Funding Date, as applicable. The Borrower shall give prompt written notice to the Administrative Agent upon receipt by the Borrower or any Subsidiary of such Net Cash Proceeds or the effectiveness of such commitments, as applicable (and in any event within three (3) Business Days thereof).

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section 2.08(d) at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.08(d) shall be irrevocable; *provided* that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(e) Change of Control:

(ii) As set forth in Section 2.01 above, unless approved by the Required Lenders, the Borrower may not request any Loans hereunder while a Change of Control Standstill Period shall be in effect pursuant to this Section 2.08(e). Subject to the procedures set forth below in clause

(ii) of this Section 2.08(e), upon the occurrence of a Change of Control and the expiration of the twenty (20) day notice period described below, each Lender shall have the right to terminate its Commitment hereunder and require that the Borrower prepay (and the Borrower agrees to so prepay) in full such Lender's outstanding Loans (such amount the "**Change of Control Prepayment Amount**"), plus accrued and unpaid fees and interest, if any, to the date of prepayment and all other obligations due to such Lender under this Agreement and the other Loan Documents.

(iii) Upon the occurrence of any Change of Control, the Administrative Agent shall post or mail a notice (the "**Change of Control Notice**") simultaneously to all Lenders providing each Lender with notice of its rights under this Section 2.08(e) and a period of twenty (20) calendar days to evaluate the Change of Control and make a determination as to whether such Lender will terminate its Commitment and accept payment of the Change of Control Prepayment Amount, or whether such Lender will continue as a Lender hereunder following such Change of Control. The period beginning on the effective date of such Change of Control and continuing through the expiration of such twenty (20) day notice period shall be referred to herein as a "**Change of Control Standstill Period**". Unless approved by the Required Lenders, the Borrower may not request any Loans hereunder while a Change of Control Standstill Period shall be in effect pursuant to this Section 2.08(e).

(iv) Lenders electing to terminate their Commitments and to have their Loans prepaid pursuant to this Section 2.08(e) shall so notify the Administrative Agent as directed in the Change of Control Notice; *provided*, *however*, that failure by any Lender to make a timely response shall be deemed to constitute an election by such Lender to terminate its Commitment and accept prepayment of its Loans. Upon the expiration date of the Change of Control Standstill Period, (A) all Lenders electing to terminate their Commitments (the "**Terminating Lenders**") shall surrender their Notes (if any) to the Administrative Agent at the address specified in Section 9.01, (B) all Notes (if any) held by Terminating Lenders shall be cancelled by the Borrower and the

Borrower shall pay the applicable Change of Control Prepayment Amounts to the Administrative Agent, for the account of the Terminating Lenders, and all other obligations due to the Terminating Lenders under this Agreement and the other Loan Documents, (C) the Commitments of the Terminating Lenders hereunder shall be terminated and the aggregate Commitments shall be automatically reduced by an amount equal to the aggregate amount of the Commitments so terminated, and (D) the Commitments of those Lenders electing not to terminate their Commitments shall automatically continue.

Section 2.09 *Repayment of Loans; Evidence of Debt*. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of the Loans on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section 2.09(d) shall be *prima facie* evidence of the existence and amounts of the obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request, through the Administrative Agent, that any Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender through the Administrative Agent a promissory note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent (each such promissory note, a "**Note**"). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more Notes in such form payable to the payee and its registered assigns.

Section 2.10 *Prepayment of Loans*. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section 2.10.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy or electronic mail) of any prepayment hereunder (i) in the case of prepayment of (1) a Term Benchmark Borrowing, not later than 10:00 a.m. (New York City time) three (3) Business Days before the date of prepayment or (2) an RFR Borrowing, not later than 11:00 a.m. (New York City time) five (5) Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m. (New York City time) on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.08, then such notice of prepayment may be

revoked if such notice of termination is revoked in accordance with Section 2.08. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(c) In the event that the Borrower or any of its Subsidiaries receives any Net Cash Proceeds arising from any Debt Issuance, Equity Issuance or Asset Sale consummated on or after the Closing Date or the Pre-Closing Funding date, as applicable, then the Borrower shall, not later than three (3) Business Days after the occurrence of such event, prepay the outstanding Loans (to the extent thereof) in an amount equal to 100% of such Net Cash Proceeds.

(d) If the Funding Date has occurred, in the event that the Project Thailand Transaction has not been consummated within two (2) Business Days of the Expiration Time (the "**Return Date**"), the Borrower shall, on the first Business Day immediately following the Return Date, repay the aggregate principal amount of the Loans together with interest accrued thereon to the Return Date.

(e) If the Funding Date has occurred, in the event that the Project Thailand Transaction Agreement has been terminated by the Borrower in a signed writing in accordance with its terms (or upon the Borrower's written confirmation thereof) (the occurrence of such event, the "**Alternative Return Date**"), then the Borrower shall, not later than three (3) Business Days after the occurrence of such event, repay the aggregate principal amount of the Loans together with interest accrued thereon to the Alternative Return Date.

Section 2.11 *Fees*. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender an undrawn fee (the "**Undrawn Fee**") in Dollars which shall accrue at a rate of 0.02% during the period from and including July 30, 2026 to but excluding the date (the "**Undrawn Fee Payment Date**") on which the Commitment of such Lender terminates or expires (including upon and as a result of the occurrence of the Funding Date), and which shall be payable in full on the Undrawn Fee Payment Date. The Undrawn Fee shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (determined as noted above). The Borrower agrees to pay to the Persons entitled thereto fees payable in the amounts and at the times set forth in the Fee Letter.

(b) All fees payable hereunder shall be paid on the dates due, in dollars in immediately available funds, to the Administrative Agent for distribution, in the case of the Undrawn Fee, to the Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.12 *Interest*. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at a rate per annum equal to the Adjusted Term SOFR Rate for the Interest Period in effect for such Borrowing *plus* (i) 0.50% during the period from and including the Effective Date to the date that is one-hundred eighty (180) days from the Funding Date and (ii) 0.75% thereafter.

(c) Each RFR Loan (to the extent applicable pursuant to Section 2.13) shall bear interest at a rate per annum equal to the Adjusted Daily Simple SOFR *plus* (i) 0.50% during the period from and including the Effective Date to the date that is one-hundred eighty (180) days from the Funding Date and (ii) 0.75% thereafter.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% *plus* the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% *plus* the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon the Maturity Date; *provided* that (i) interest accrued pursuant to paragraph (c) of this Section 2.12 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. For the avoidance of doubt, if the Pre-Closing Funding Election has been made, interest on the Pre-Closing Funded Amount shall accrue commencing on the Funding Date.

(f) Interest computed by reference to the Term SOFR Rate or Daily Simple SOFR and the Alternate Base Rate hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate only at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. A determination of the applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted Daily Simple SOFR or Daily Simple SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.13 *Alternate Rate of Interest*. (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.13:

(ii) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate (including because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time after the adoption of Adjusted Daily Simple SOFR as the Benchmark pursuant to this Section 2.13, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR; or

(iii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period or (B) at any time after the adoption of Adjusted Daily Simple SOFR as the Benchmark pursuant to this Section 2.13, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist

with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.07 or a new Borrowing Request in accordance with the terms of Section 2.03, (1) any Interest Election Request that requests the conversion of any Term Benchmark Borrowing to, or continuation of any Term Benchmark Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 2.13(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple SOFR also is the subject of Section 2.13(a)(i) or (ii) above and (2) any Borrowing Request that requests an RFR Borrowing shall instead be deemed to be a Borrowing Request, as applicable, for an ABR Borrowing; *provided* that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.13(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.07 or a new Borrowing Request in accordance with the terms of Section 2.03, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not also the subject of Section 2.13(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple SOFR also is the subject of Section 2.13(a)(i) or (ii) above, on such day, and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement

of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.13, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.13.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing into a request for a Borrowing of or conversion to (A) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.13, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day and (2) any RFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan.

Section 2.14 *Increased Costs; Illegality*. (a) If any Change in Law shall:

(ii) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender; or

(iii) impose on any Lender or the applicable offshore interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Term Benchmark Loans or RFR Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, continuing, converting to or maintaining any Term Benchmark Loan or RFR Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) If after the date of this Agreement, a Change in Law shall subject any Lender to any taxes (other than Taxes imposed on or with respect to any payment made by any Borrower hereunder and Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, and the result shall be to increase the cost to such Lender of making, continuing, converting to or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then such Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(d) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(e) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.14 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(f) Anything in this Agreement to the contrary notwithstanding, if any Change in Law shall make it unlawful for any Lender to make or maintain Term Benchmark Loans or RFR Loans as contemplated by this Agreement or to obtain in the applicable interbank market the funding for Term Benchmark Loans or RFR Loans, then (i) such Lender shall promptly notify the Administrative Agent

and the Borrower thereof, (ii) the obligation of such Lender hereunder to make Term Benchmark Loans or RFR Loans and to continue Term Benchmark Loans or RFR Loans shall forthwith terminate, and (iii) such Lender's Term Benchmark Loans or RFR Loans then outstanding shall be converted on the last day of the then current Interest Period for such Term Benchmark Loans or RFR Loans (or on such earlier date as may be required by law) to ABR Loans.

Section 2.15 *Break Funding Payments*. In the event of (i) the payment of any principal of any Term Benchmark Loan or RFR Loan in each case other than on the last day of an Interest Period applicable thereto (including as a result of Section 2.08(d) or an Event of Default or an optional or mandatory prepayment of Loans), (ii) the conversion of any Term Benchmark Loan or RFR Loan in each case other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan or RFR Loan in each case on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(b) and is revoked in accordance therewith), or (d) the assignment of any Term Benchmark Loan or RFR Loan in each case other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Term Benchmark Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted Term SOFR Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 2.16 *Taxes*. (a) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Taxes unless deduction of such Taxes is required by law (or by the interpretation or administration thereof); *provided* that if the Borrower or Administrative Agent shall be required by law (or by the interpretation or administration thereof) to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions of such Indemnified Taxes or Other Taxes (including deductions of such Indemnified Taxes or Other Taxes applicable to additional sums payable under this Section 2.16(a)) the Administrative Agent, or any Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions of such Indemnified Taxes or Other Taxes been made, (ii) the Borrower or Administrative Agent shall make such deductions of such Indemnified Taxes or Other Taxes, and (iii) the Borrower or Administrative Agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within thirty (30) days after written demand therefor, which written demand shall be made within sixty (60) days of the date the Administrative Agent or such Lender received written demand for payment of any Indemnified

Taxes or Other Taxes from the relevant Governmental Authority, for the full amount of such Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16(c)) payable or paid by the Administrative Agent or such Lender, as the case may be, or required to be withheld or deducted from a payment to the Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability and, in reasonable detail, the manner in which such amount shall have been determined, delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive evidence of such payment or liability absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to any Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about the date on which such Lender becomes a lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax.

(f) Each Foreign Lender shall deliver to the Borrower and the Administrative Agent on or before the date such Foreign Lender becomes a party to this Agreement and on or before the date, if any, such Foreign Lender changes its Applicable Lending Office (i) two (2) duly executed and properly completed Internal Revenue Service Forms W-8ECI or W-8BEN-E or W-8BEN (with respect to the benefit of an income tax treaty), or successor forms, certifying to such Foreign Lender's entitlement to a complete exemption from United States withholding tax with respect to all payments to be made to it under the Loan Documents, or (ii) if such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, either (x) the forms referred to in clause (i) above certifying to such Foreign Lender's entitlement to a complete exemption from United States withholding tax with respect to all payments to be made to it under the Loan Documents, or (y) two duly executed and properly completed Internal Revenue Service Forms W-8BEN-E or W-8BEN (or successor forms) and a duly executed certificate substantially in the form of Exhibit D (any such certificate, a "**Section 2.16(e) Certificate**"); *provided* that in the event that a Foreign Lender is not classified as a corporation for United States federal income tax purposes, such Foreign Lender shall take any actions necessary and shall deliver to the Borrower and the Administrative Agent all additional (or alternative) Internal Revenue Service forms and Section 2.16(e) Certificates necessary to fully establish such Foreign Lender's entitlement to a complete exemption from United States withholding tax on all payments to be made to it under the Loan Documents (including causing its partners, members, beneficiaries or owners, or their beneficial owners, to take any actions and deliver any Internal Revenue Service forms and Section 2.16(e) Certificates necessary to establish such exemption). In addition, each Foreign Lender shall deliver such Internal Revenue Service forms and the Section 2.16(e) Certificate (as applicable) to the Borrower and the Administrative Agent promptly upon the obsolescence, inaccuracy or invalidity of any such Internal Revenue Service forms or Section 2.16(e) Certificate previously delivered by such Foreign Lender pursuant to this Section 2.16(e) unless such Foreign Lender is not legally able to deliver such Internal Revenue Service forms or Section 2.16(e) Certificate. Notwithstanding the foregoing, in the event that under the laws in effect on the date on which a Foreign Lender becomes a party to this Agreement, or the date (if any) on which a Foreign Lender changes its Applicable Lending Office, such Foreign Lender is

not legally able to deliver a certification of its complete exemption from United States withholding tax with respect to all payments to be made to it under the Loan Documents, such Foreign Lender shall deliver a certification of its entitlement to any applicable reduced rate of United States withholding tax with respect to all applicable payments to be made to it under the Loan Documents and such certification shall be treated as meeting the requirement to deliver a Section 2.16(e) Certificate; *provided*, *however*, that any United States withholding tax on any payments made to it under the Loan Documents that is imposed at a rate not in excess of the rate of tax provided for in such Foreign Lender's Section 2.16(e) Certificate shall constitute "Excluded Taxes" for all purposes of this Agreement and the other Loan Documents.

(g) Each Lender shall severally indemnify the Administrative Agent, within thirty (30) days after written demand therefor, which written demand shall be made within sixty (60) days of the date the Administrative Agent received written demand for payment of any Indemnified Taxes or Other Taxes from the relevant Governmental Authority, for (i) the full amount of such Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability and, in reasonable detail, the manner in which such amount shall have been determined, delivered to such Lender by the Administrative Agent shall be presumptive evidence of such payment or liability absent manifest error.

(h) If a payment made to a Lender under this Agreement or any Assignment and Assumption would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.16(g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(i) Each Lender agrees that, before making a demand under this Section 2.16, it shall use reasonable efforts (consistent with its legal and regulatory restrictions) to designate a different Applicable Lending Office or assign its rights and obligations hereunder to another of its offices, branches or affiliates if the making of such a designation or assignment will avoid the need for, or reduce the amount of, any additional amounts that would otherwise thereafter accrue and will not, in the reasonable judgment of such Lender, require such Lender to incur a cost or expense, or legal or regulatory disadvantage, determined by such Lender to be material. Upon any such change in any Applicable Lending Office or assignment, such Lender shall provide or cause to be provided to the Administrative Agent and the Borrower the appropriate form and documentation specified in Sections 2.16(e) and 2.16(g).

(j) If the Borrower pays any additional amount or indemnity payment pursuant to this Section 2.16 with respect to the Administrative Agent, any Lender, the Administrative Agent or such Lender shall use reasonable efforts to obtain a refund of tax or credit against its tax liabilities on account of such payment; *provided* that the Administrative Agent or such Lender shall have no obligation to use such reasonable efforts if either (i) it is in an excess foreign tax credit position, (ii) it believes in good faith, in its sole discretion, that claiming a refund or credit would cause adverse tax consequences to it or (iii) no such refund or credit is available under applicable laws. In the event that the Administrative Agent or such Lender receives such a refund or credit, the Administrative Agent or such Lender shall promptly pay to the Borrower an amount that the Administrative Agent or such Lender reasonably determines is equal to the net tax benefit obtained by the Administrative Agent or such Lender as a result of such payment by the Borrower. Nothing contained in this Section 2.16(i) shall require the Administrative Agent or such Lender to disclose or detail the basis of its calculation of the amount of any net tax benefit or its determination referred to in the proviso to the first sentence of this Section 2.16(i) to the Borrower or any other party.

(k) Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 2.17 *Payments Generally; Pro Rata Treatment; Sharing of Set-offs*. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) prior to 12:00 noon (New York City time) on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent, except that payments pursuant to Section 2.14, 2.15, 2.16 or 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery,

without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.06(b), 2.17(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.18 *Mitigation Obligations; Replacement of Lenders*. (a) If any Lender requests compensation under Section 2.14, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender (i) requests compensation under Section 2.14, or if the Borrower is required to make a payment to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, (ii) becomes a Defaulting Lender, or (iii) refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04, with the Borrower or the replacement Lender paying the processing and recording fee), all of its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (w) the Borrower shall have received the prior written consent of the Administrative Agent to such assignment (to the extent such consent would otherwise be required pursuant to Section 9.04 or the definition of "Eligible Assignees"), which consent shall not unreasonably be withheld, (x) such Lender shall have received

payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) (in the case of a Defaulting Lender, excluding, for the avoidance of doubt, any amount to which such Defaulting Lender is not entitled in accordance with Section 2.19), (y) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in or elimination of such compensation or payments in the future and (z) in the case of clause (iii) above, such assignee consents to such amendment, waiver or other modification. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.19 *Defaulting Lender*. If any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(b) fees shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender pursuant to Section 2.11(a); and

(c) the Commitment and Credit Exposure of such Defaulting Lender shall not be included (a) in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification permitted to be effected by the Required Lenders pursuant to Section 9.02) and (b) in determining whether such Defaulting Lender's Commitment and Credit Exposure is included for Section 9.02(b)(iv) and (v).

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

On the Effective Date and (subject to the limitations in Section 4.02) on the date of each Borrowing hereunder, the Borrower represents and warrants to the Administrative Agent and the Lenders that:

Section 3.01 *Organization; Corporate Power and Authority*. The Borrower (a) is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has all necessary corporate power and authority to own and operate all of its material Property, to lease the material Property which it operates as lessee and to conduct the business in which it is currently engaged and (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where the ownership, lease or operation by it of its Property or the conduct of its business requires such qualification, except to the extent that the failure to so qualify or be in good standing could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.02 *Due Authorization and Enforceability*. The Borrower has full power and authority to make and perform this Agreement and the other Loan Documents to which it is party, all corporate and other action required to authorize the making and performance by the Borrower of this Agreement and the other Loan Documents to which it is party has been duly taken; and this Agreement has been duly executed and delivered and constitutes, and each of the other Loan Documents to which the Borrower is party when duly executed and delivered by the Borrower and the other parties thereto will constitute, legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except in each case as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought by proceedings in equity or at law).

Section 3.03 *No Conflict*. The making and performance by the Borrower of this Agreement and the other Loan Documents to which it is party and the use of the proceeds of the Loans do not and will not violate any material Requirement of Law or any material Contractual Obligation binding upon the Borrower or any of its Subsidiaries, and do not and will not result in or require the creation or imposition of any material Lien on any material Property of the Borrower or any of its Subsidiaries.

Section 3.04 *Governmental Approvals*. No authorization, approval, license, registration or consent of any Governmental Authority is necessary for the making and performance by the Borrower of this Agreement and the other Loan Documents to which it is party or to render this Agreement and the other Loan Documents to which it is a party legal, valid, binding and enforceable against the Borrower.

Section 3.05 *Financial Statements*. (a) The Borrower has made available to the Lenders and the Administrative Agent a copy of (i) the consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 2025, and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for the fiscal year then ended, setting forth in comparative form the corresponding figures for the preceding fiscal year and accompanied by an opinion of independent certified public accountants of recognized national standing stating that such financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries as at the end of, and for, such fiscal year and (ii) the consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at September 30, 2025, and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for the fiscal quarter then ended, setting forth in comparative form the corresponding figures for the corresponding portion of the preceding fiscal year. All such financial statements were prepared in accordance with GAAP, consistently applied, except as otherwise noted therein, and present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries in accordance with GAAP, consistently applied, as at the end of, and for, the respective periods covered thereby, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) There has not been a Material Adverse Change.

Section 3.06 *No Event of Default*. No Event of Default has occurred and is continuing.

Section 3.07 *Ownership of Patents and other Intellectual Property*. The Borrower and its Significant Subsidiaries own, or are licensed to use, all trademarks, trade names, copyrights, patents, and other intellectual property material to the business of the Borrower and its Significant Subsidiaries (taken as a whole), and the use thereof by the Borrower and its Significant Subsidiaries does not infringe upon the rights of any other Person, except for any such failures to own or license and infringements, that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 3.08 *Litigation*. Other than as disclosed in the Borrower's filings with the SEC, there are no actions, suits, investigations or proceedings by or before any Governmental Authority or arbitrator pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries or against any of their respective Property as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 3.09 *Compliance with Laws*. (a) Neither the Borrower nor any of its Significant Subsidiaries has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law that has caused it to become subject to any Environmental Liability, or has received notice of any claim with respect to any such Environmental Liability, except with regard to any such failure to comply, obtain or maintain that has caused it to become subject to Environmental Liability or claim, that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The Borrower and each of its Significant Subsidiaries is in compliance with all laws and all regulations and orders of any Governmental Authority applicable to it or its Property, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.10 *Investment Company Act*. The Borrower is not, nor is it "controlled" by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 3.11 *Margin Regulations*. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying "margin stock" within the meaning of Regulation U; and no part of the proceeds of the Loans will be used for the purpose, whether immediate, incidental, or ultimate, of buying or carrying any such margin stock.

Section 3.12 *Payment of Taxes*. The Borrower and each of its Significant Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes which are not yet delinquent or not yet in default, (b) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Significant Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (c) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 3.13 *ERISA Events*. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

Section 3.14 *Use of Proceeds*. The Borrower will use the proceeds of the Loans to consummate the Project Thailand Transaction, including payment of fees and expenses incurred in connection therewith.

Section 3.15 *Anti-Corruption Laws and Sanctions*. The Borrower has implemented and maintains in effect policies and procedures reasonably designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person.

Section 4.01 *Effective Date*. This Agreement shall become effective on the date (the "**Effective Date**") on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(b) The Administrative Agent (or its counsel) shall have received from each party hereto a counterpart of this Agreement signed on behalf of such party (which, subject to Section 9.06(b), may include any Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page).

(c) The Administrative Agent shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Fried, Frank, Harris, Shriver & Jacobson LLP and in-house counsel of the Borrower, or such other counsel as shall be reasonably satisfactory to the Administrative Agent, in each case in form and substance reasonably satisfactory to the Administrative Agent and covering such matters relating to the Borrower or the Loan Documents (other than the Fee Letter) as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(d) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of the Borrower attaching copies of its certificate of incorporation and by-laws, a good standing certificate for it and resolutions of the Board of Directors of the Borrower authorizing execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party.

(e) The Administrative Agent shall have received an incumbency certificate of an officer of the Borrower in respect of each of the officers who are authorized to sign this Agreement and the other Loan Documents to which the Borrower is a party on its behalf and who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby.

(f) (ii) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the Effective Date (giving effect to any Borrowing occurring on the Effective Date); and (ii) no Default shall have occurred and be continuing as of the Effective Date (giving effect to any Borrowing occurring on the Effective Date), and the Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer of the Borrower confirming the matters referred to in clause (i) and clause (ii).

(g) The Lenders and the Administrative Agent shall have received all fees and invoiced expenses due and payable by the Borrower on or prior to the Effective Date, including, (x) fees payable on or prior to the Effective Date pursuant to the Fee Letter and (y) reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Borrower hereunder and under the Fee Letter.

(h) [Reserved].

(i) To the extent such documentation and information has been requested by the Lenders at least seven (7) days prior to the Effective Date, the Lenders shall have received, at least one (1) day prior to the Effective Date, (i) all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower to the extent required by the Beneficial Ownership Regulation (*provided* that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 4.02 *Closing Date or Pre-Closing Funding Date*. The obligation of each Lender to make a Loan or Loans on the Closing Date or the Pre-Closing Funding Date, as applicable, is subject to the occurrence of the Effective Date and satisfaction of the following additional conditions:

(b) Subject to the Pre-Closing Funding Election (in which case this condition shall be satisfied on the Closing Date) (i) the Specified Representations and Specified Transaction Agreement Representations shall be true and correct (giving effect to the Borrowing and other transactions occurring on the Closing Date); (ii) since the date of the Project Thailand Transaction Agreement, no Company Material Adverse Effect shall have occurred; (iii) no Event of Default pursuant to Section 7.01(a) or Section 7.01(d) hereof shall have occurred and be continuing (giving effect to the Borrowing and other transactions occurring on the Closing Date); and (iv) the Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer of the Borrower confirming the matters referred to in clauses (i), (ii) and (iii).

(c) The Administrative Agent shall have received a Borrowing Request in accordance with the requirements hereof.

(d) Subject to the Pre-Closing Funding Election (in which case this condition shall be satisfied on the Closing Date), the Administrative Agent shall have received a solvency certificate from the chief financial officer of the Borrower, dated as of the Closing Date and after giving effect to the Borrowing and other transactions occurring on the Closing Date.

(e) Subject to the Pre-Closing Funding Election (in which case this condition shall be satisfied on the Closing Date), the Project Thailand Transaction shall have been consummated substantially concurrently with the Closing Date in accordance with the Project Thailand Transaction Agreement.

(f) The Administrative Agent shall have received (i) a copy of the consolidated balance sheet of the Borrower and its consolidated Subsidiaries for the fiscal year ended at least ninety (90) days prior to the Funding Date, and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year and accompanied by an opinion of independent certified public accountants of recognized national standing stating that such financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries in accordance with GAAP (without qualification as to going concern or scope of audit), consistently applied, as at the end of, and for, such fiscal year and (ii) a copy of the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as of the end of each of the three fiscal quarters ended at least forty-five (45) days prior to the Funding Date and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for the portion of each such fiscal year then ended, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, and accompanied by a certificate of a Financial Officer of the Borrower stating that said financial statements fairly present, in all material respects, subject to normal year-end audit adjustments, the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries in accordance with GAAP, consistently applied, as at the end of, and for, such period.

(g) The Administrative Agent shall have received all fees payable by the Borrower on or prior to the Funding Date pursuant to the Fee Letter.

ARTICLE 5
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Credit Exposure or any Commitment hereunder, the Borrower covenants and agrees that:

Section 5.01 *Financial Statements*. The Borrower will furnish to the Administrative Agent and each Lender:

(b) within ninety (90) days after the end of each fiscal year of the Borrower, a copy of the consolidated balance sheet of the Borrower and its consolidated Subsidiaries for such fiscal year, and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year and accompanied by an opinion of independent certified public accountants of recognized national standing stating that such financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries in accordance with GAAP (without qualification as to going concern or scope of audit), consistently applied, as at the end of, and for, such fiscal year;

(c) within forty-five (45) days after the end of each of the first three (3) fiscal quarters of the Borrower, a copy of the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as of the end of such fiscal quarter, and the related consolidated statements of income, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries for the portion of such fiscal year then ended, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, and accompanied by a certificate of a Financial Officer of the Borrower stating that said financial statements fairly present, in all material respects, subject to normal year-end audit adjustments, the consolidated financial position and results of operations of the Borrower and its consolidated Subsidiaries in accordance with GAAP, consistently applied, as at the end of, and for, such period;

(d) promptly from time to time, such documentation and other information as any Lender may reasonably request through the Administrative Agent in order to allow such Lender to comply with applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation; and

(e) promptly from time to time, such other information concerning the Borrower and its Subsidiaries and their respective businesses as any Lender may reasonably request through the Administrative Agent.

Documents required to be delivered under Section 4.02(e), 5.01(a) or (b) may be delivered electronically and shall be deemed to have been delivered electronically on the earliest date on which such documents are posted on, or a link to such documents is provided on (i) the Borrower's website on the internet at www.merck.com, (ii) the website of the SEC or (iii) Intralinks or another relevant website reasonably acceptable to the Borrower, if any, to which the Borrower, each Lender and the Administrative Agent have access.

Section 5.02 *Notices of Material Events*. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(b) the occurrence of any Default of which the Borrower has knowledge, and of any Event of Default;

(c) the occurrence of any ERISA Event that could reasonably be expected to result in a Material Adverse Effect;

(d) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification; and

(e) the availability of all periodic and other reports, proxy statements and other materials filed by the Borrower or any of its Subsidiaries with the SEC or with any national securities exchange, or distributed by the Borrower to its shareholders generally.

Documents required to be delivered under Section 5.02(c) may be delivered electronically and shall be deemed to have been delivered electronically on the earlier date on which such documents are posted on, or a link to such documents is provided on (i) the Borrower's website on the internet at www.merck.com or (ii) the website of the SEC.

Section 5.03 *Existence and Conduct of Business*. (a) The Borrower (i) will preserve, renew and keep in full force and effect its legal existence and (ii), except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect, will preserve, renew and keep in full force and effect the legal existence of its Significant Subsidiaries; *provided* that the foregoing provisions of this Section 5.03(a) shall not be deemed to prohibit any merger, consolidation, liquidation or dissolution expressly permitted under Section 6.02.

(b) Except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect, the Borrower will, and will cause each of its Significant Subsidiaries to, (i) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business and (ii) assure that it does not enter into any business which is material to the Credit Group taken as a whole, other than the business in which the Credit Group is engaged on the Effective Date and businesses related to or complimentary to such existing businesses.

Section 5.04 *Payment of Tax Liabilities*. The Borrower will, and will cause each of its Significant Subsidiaries to, pay its material Taxes, assessments and other governmental charges before the same shall become delinquent or in default, except to the extent that (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP (or in the case of Significant Subsidiaries with significant operations outside of the United States, generally accepted accounting principles in effect from time to time in the applicable jurisdictions), or (b) the failure to make any such payment could not reasonably be expected to result in a Material Adverse Effect.

Section 5.05 *Maintenance of Properties; Maintenance of Insurance*. The Borrower will, and will cause each of its Significant Subsidiaries to, (a) keep and maintain all material Property useful and necessary in its business in good working order and condition, except (i) ordinary wear and tear, (ii) any casualty, loss, damage, destruction or other similar loss with respect to real or personal Property or improvements or (iii) any taking by a Governmental Authority of Property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner, and (b) maintain self-insurance or insurance with financially sound and reputable insurance companies (which may include captive insurers), and maintain such other insurance, in at least such amounts and against at least such risks as is customarily maintained by companies in the United States engaged in the same or similar businesses, and will furnish to the Administrative Agent, upon its written request, information in reasonable detail as to the insurance so carried.

Section 5.06 *Maintenance of Books and Records*. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP are made of all dealings and transactions in relation to its business and activities.

Section 5.07 *Visitation Rights*. The Borrower will, and will cause each of its Significant Subsidiaries to, permit representatives designated by the Administrative Agent or any Lender to visit and inspect its Property, to examine and make extracts from its books and records (other than materials protected by the attorney-client privilege and materials which the Borrower or its Subsidiaries may not disclose without violation of a confidentiality obligation binding upon it), and to discuss its business, operations, finances and condition with its officers and independent accountants; *provided* that the Borrower shall be given reasonable advance notice of any request of the Administrative Agent in respect of any of the foregoing, none of the foregoing shall occur outside normal office hours, and none of the foregoing shall be conducted in a manner that materially interferes with the ordinary conduct of the business of the Borrower or such Subsidiary; *provided* that when an Event of Default has occurred and is continuing, the Administrative Agent or any Lender (or any of their respective representatives or independent contractors), may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

Section 5.08 *Compliance with Laws*. (a) The Borrower will, and will cause each of its Subsidiaries to, comply with all Requirements of Law applicable to it or its Property, including, without limitation, compliance with ERISA and all Environmental Laws, except to the extent the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

ARTICLE 6
NEGATIVE COVENANTS

So long as any Lender shall have any Credit Exposure or any Commitment hereunder, the Borrower covenants and agrees that:

Section 6.01 *Liens on Principal Facilities*. (a) The Borrower will not, nor will it permit any Restricted Subsidiary to, create, incur, issue, assume or Guarantee any Funded Debt secured by any Lien on any Principal Facility or on any shares of stock or Funded Debt of any Restricted Subsidiary (such shares of stock or Funded Debt of any Restricted Subsidiary being called "**Restricted Securities**"), without effectively providing that the Loans (together with, if the Borrower shall so determine, any other Funded Debt of the Borrower or such Restricted Subsidiary then existing or thereafter created ranking

equally with the Loans) shall be secured equally and ratably with (or prior to) such secured Funded Debt so long as such secured Funded Debt shall be so secured; *provided*, *however*, that the foregoing obligations shall not apply to, and there shall be excluded from secured Funded Debt in any computation under this Section, Funded Debt secured by:

(ii) Liens on any Property of, or on any shares of stock or Funded Debt of, any corporation existing at the time such corporation becomes a Restricted Subsidiary;

(iii) Liens in favor of the Borrower or any Restricted Subsidiary;

(iv) Liens in favor of any government body to secure partial, progress, advance or other payments or other obligations, pursuant to any contract or statute or to secure any Funded Debt incurred for the purpose of financing all or any part of the cost of acquiring, constructing or improving the Property subject to such Liens, including, without limitation, Liens to secure pollution control or industrial revenue Funded Debt or obligations;

(v) Liens on any Principal Facility or Restricted Securities (a) existing at the time of acquisition thereof (including acquisition through merger or consolidation) or (b) securing the payment of all or any part of the purchase price or construction cost thereof or securing any Funded Debt (or the portion thereof) incurred prior to, at the time of or within 120 days after the acquisition of such Principal Facility or Restricted Securities or the completion of any such construction or the commencement of the commercial operation thereof, whichever is later, for the purpose of financing all or any part of the purchase price or construction cost thereof, *provided* that such Liens are limited to such Principal Facility, any such Restricted Securities and any other property or assets not then constituting a Principal Facility or Restricted Securities;

(vi) Liens on any Principal Facility to secure all or any part of the cost of alteration, repair or improvement of all or any part of such Principal Facility, or to secure any Funded Debt (or the portion thereof) incurred prior to, at the time of or within one-hundred twenty (120) days after the completion of such alteration, repair or improvement, whichever is later, for the purpose of financing all or any part of such cost (*provided* such Liens are limited to such Principal Facility and any other Property not then constituting a Principal Facility or Restricted Securities);

(vii) Liens made by any Subsidiary in connection with a Permitted Securitization; or

(viii) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the foregoing clauses (i) to (vi), inclusive; *provided* that, with respect to any Lien referred to in the foregoing clauses (i) to (vi), inclusive, that such extension, renewal or replacement Lien shall be limited to all or a part of the same Principal Facilities or Restricted Securities that secured the Lien extended, renewed or replaced (plus any other Property not then constituting a Principal Facility or Restricted Securities) and that the amount of Funded Debt secured thereby shall not exceed the amount of Funded Debt so secured at the time of such extension, renewal or replacement.

(b) Notwithstanding the provisions of paragraph (a) of this Section, the Borrower may, and may permit any Restricted Subsidiary to, create, incur, issue, assume or Guarantee Funded Debt secured by a Lien not excepted by clauses (i) through (vii) of paragraph (a) above without equally and ratably securing the Loans; *provided*, *however*, that the aggregate principal amount of all secured Funded Debt incurred pursuant to the provisions of this paragraph (b) then outstanding, plus the aggregate principal amount of the Funded Debt then being created, incurred, issued, assumed, or Guaranteed and the aggregate amount of the Attributable Debt in respect of sale and leaseback transactions in respect of Principal Facilities shall not exceed 15% of Consolidated Net Tangible Assets.

(c) Funded Debt created by the Borrower or any Restricted Subsidiary shall not be cumulated with a Guarantee of the same Funded Debt by the Borrower or any other Restricted Subsidiary for the same financial obligation.

Section 6.02 *Mergers, Consolidations and Sales of Assets.* (a) Except as permitted in the next sentence, the Borrower will not (x) consolidate or merge with or into any other Person or liquidate, wind up or dissolve (or suffer any liquidation or dissolution) or (y) sell, lease or otherwise transfer (in one transaction or a series of transactions) all or substantially all of its Property to any other Person. Notwithstanding the restrictions set out in the previous sentence (i) the Borrower may merge with another Person if (A) the Borrower is the corporation surviving such merger and (B) immediately after giving effect to such merger, no Event of Default shall have occurred and be continuing, (ii) the Borrower may undertake any transactions to accomplish any dispositions required to obtain regulatory approval of any acquisition after the Effective Date and (iii) the Borrower may (I) be wholly acquired by, or may be merged into, another Person or (II) sell all or substantially all of its assets, in each case so long as, (A) prior to or concurrently with the consummation of such transaction, the acquiring Person executes and/or delivers such assumption agreements, corporate resolutions, legal opinions and similar documents as the Administrative Agent reasonably requests and (B) the Borrower complies with the Change of Control procedures and requirements set forth in Section 2.08(d).

(b) The Administrative Agent shall be entitled to receive, as conclusive evidence, a certificate of an executive officer of the Borrower confirming that any sale, lease or other transfer and any assumption permitted or required by this Section complies with the provisions of this Section.

Section 6.03 *[Reserved]*.

Section 6.04 *Use of Proceeds*. The Borrower will not request any Borrowing, and the Borrower and its Subsidiaries shall not use, and the Borrower shall use reasonable best efforts to ensure that the directors, officers, employees and agents of the Borrower and its Subsidiaries shall not use, the proceeds of any Borrowing (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case except to the extent permitted by Sanctions or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

ARTICLE 7
EVENTS OF DEFAULT

Section 7.01 *Events of Default*. If one or more of the following events (herein called "**Events of Default**") shall occur and be continuing:

(b) (ii) the Borrower shall fail to pay any principal of any Loan when due in accordance with the terms hereof or (ii) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (i) of this clause) payable under this Agreement or under any other Loan Document when due in accordance with the terms hereof, and such failure referred to in this clause (ii) shall continue unremedied for a period of three (3) or more Business Days;

(c) (ii) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02 or (with respect to legal existence) 5.03 or in Article 6 or (ii) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a) or (b)(i) of this Article 7), and such failure referred to in this clause (ii) shall continue unremedied for a period of 30 or more days;

(d) any representation or warranty made or deemed made by or on behalf of the Borrower in this Agreement or in any other Loan Document or in any amendment or modification hereof or thereof, or in any report, certificate, document or financial or other statement required to be furnished or filed at any time under Article 3, Section 5.01 or 5.02 of this Agreement or any other Loan Document or any such amendment or modification, shall prove to have been incorrect or misleading in any material respect on or as of the date made or deemed made;

(e) (ii) the Borrower or any of its Significant Subsidiaries shall commence any case, proceeding or other action (x) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts or (y) seeking appointment of a receiver, trustee, custodian, conservator or similar official for it or for all or any substantial part of its Property, or the Borrower or any such Significant Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any such Significant Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which results in the entry of an order for relief or any such adjudication or appointment, or remains undismissed, undischarged or unbonded for a period of sixty (60) or more days; or (iii) there shall be commenced against the Borrower or any such Significant Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its Property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower or any such Significant Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any of the acts referred to in clauses (i), (ii) or (iii) above; or (v) the Borrower or any such Significant Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(f) an ERISA Event shall occur that, when taken together with any other ERISA Events that have occurred, could reasonably be expected to have a Material Adverse Effect;

(g) one or more judgments or orders for the payment of money in an aggregate amount of $350,000,000 or more shall be entered against the Borrower or any of its Significant Subsidiaries or any combination thereof and the same shall remain undischarged for a period of thirty (30) or more consecutive days during which execution shall not be effectively stayed or vacated; *provided* that any such judgment shall not be an Event of Default under this clause (f) if and to the extent that (i) the amount of such judgment is covered by a valid and binding policy of insurance between the defendant and the insurer and (ii) such insurer has been notified of, and has not disputed in writing, the claim (or the amount of the claim) made for payment of such judgment; or

(h) the Borrower or any of its Subsidiaries shall default (x) in any payment of principal of or interest on any other Indebtedness the principal amount of which is $350,000,000 or more, in the aggregate for the Credit Group, beyond any period of grace (if any) provided in the agreement or instrument creating or evidencing such Indebtedness, or (y) in the performance or observance of any other

agreement, term or condition contained in any such agreement or instrument, or any event of default or other event shall occur, if the effect of such default, event of default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due, or to be redeemed, repurchased or mandatorily prepaid, prior to its stated maturity;

THEREUPON: (1) in the case of an Event of Default other than an Event of Default of the kind referred to in clause (d) of this Article 7 with respect to the Borrower, the Administrative Agent (A) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, cancel the Commitments and/or (B) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the principal amount of, and the accrued interest on, the Loans then outstanding and all other amounts payable by the Borrower hereunder and under the Notes (if any) to be forthwith due and payable all without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower (except as expressly provided in this Article 7); and (2) in the case of the occurrence of an Event of Default of the kind referred to in paragraph (d) of this Article 7 with respect to the Borrower, the Commitments shall be automatically cancelled and the principal amount of, and the accrued interest on, the Loans then outstanding and all other amounts payable by the Borrower hereunder and under the Notes shall become automatically due and payable all without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower (except as expressly provided in this Article 7).

ARTICLE 8
THE ADMINISTRATIVE AGENT

Section 8.01 *Authorization and Action*. (a) Each Lender hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent under the Loan Documents and each Lender authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender; *provided*, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; *provided*, *further*, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been

provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby;

(ii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e) No Joint Lead Arranger shall have any obligations or duties whatsoever in such capacity under this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

(f) In case of the pendency of any proceeding with respect to the Borrower under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.11, 2.12, 2.14, 2.16 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

(g) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions.

Section 8.02 *Administrative Agent's Reliance, Limitation of Liability, Etc*. (a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by such party, the Administrative Agent or any of its Related Parties under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and non-appealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page) or for any failure of the Borrower to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any (i) notice of any of the events or circumstances set forth or described in Section 5.02 unless and until written notice thereof (stating that it is a "notice under Section 5.02" in respect of this Agreement and identifying the specific clause under said Section) is given to the Administrative Agent by the Borrower, or (ii) notice of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default"

or a "notice of an Event of Default") is given to the Administrative Agent by the Borrower or a Lender. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default or Event of Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 4 or elsewhere in any Loan Document, other than to confirm receipt of items (which on their face purport to be such items) expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent.

(c) Without limiting the foregoing, the Administrative Agent (i) shall treat the payee of any promissory note recorded in the Register as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) shall rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made by or on behalf of the Borrower in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender sufficiently in advance of the making of such Loan and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Section 8.03 *Posting of Communications*. (a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "**Approved Electronic Platform**").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY JOINT LEAD ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "**APPLICABLE PARTIES**") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

"**Communications**" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(d) Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

Section 8.04 *The Administrative Agent Individually*. With respect to its Commitment and Loans, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The terms "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Borrower, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders.

Section 8.05 *Successor Administrative Agent*. (a) The Administrative Agent may resign at any time by giving thirty (30) days' prior written notice thereof to the Lenders and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be approved by the Borrower (such approval (x) not to be unreasonably withheld, delayed or conditioned and (y) not to be required following the occurrence and during the continuance of an Event of Default; provided that during the continuance of an Event of Default, such appointment shall be made in consultation with the Borrower). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; *provided* that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 8.06 *Acknowledgements of Lenders*. (a) Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Joint Lead Arranger or any other Lender, or any of the Related Parties of any

of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Joint Lead Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

(c) (i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "**Payment**") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof) (*provided* that, without limiting any other rights or remedies (whether at law or in equity), the Administrative Agent may not make any such demand under this clause (c)(i) with respect to a Payment unless such demand is made within ninety (90) days of the date of receipt of such Payment by the applicable Lender), such Lender shall promptly, but in no event later than two (2) Business Days thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.06(c) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "**Payment Notice**") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than two (2) Business Days

thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by the Borrower, except to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of satisfying an obligation owed by the Borrower under the Loan Documents.

(iv) Each party's obligations under this Section 8.06(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations under any Loan Document.

ARTICLE 9
MISCELLANEOUS

Section 9.01 *Notices*. (a) All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party: (i) in the case of the Borrower at its address or facsimile number set forth below, (ii) in the case of the Administrative Agent, at its address or facsimile number set forth below, (iii) in the case of any Lender, at its address or facsimile number set forth in its Administrative Questionnaire or (iv) in the case of any party, such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower. Each such notice, request or other communication shall be effective (x) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Section 9.01 and the appropriate answerback is received (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient), (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section 9.01; *provided* that notices to the Administrative Agent under Article 2 shall not be effective until received.

Borrower's Address:

Merck & Co., Inc.
Attention: Mark Walker
Assistant Treasurer
126 East Lincoln Avenue
Rahway, NJ 07065
Email: mark_walker@merck.com

Copy to:

Fried, Frank, Harris, Shriver & Jacobson, LLP
Attention: Mark S. Hayek, Esq.
One New York Plaza
New York, NY 10004
Fax: (212) 859-4000
Email: Mark.Hayek@friedfrank.com

Administrative Agent's Address:

Citibank, N.A.
One Penns Way
Ops II, Floor 2
New Castle, DE 19720
Attention: Agency Operations
Email: usagencyservicing@citi.com

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Section 9.02 *Waivers; Amendments*. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender may have had notice or knowledge of such Default at the time.

(b) No Loan Document (other than the Fee Letter) nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan, or reduce the rate of interest thereon, or reduce any fees payable hereunder, or reduce any other amounts payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.17 in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) subordinate or have the effect of subordinating the obligations under the Loan Documents to any other obligations of the Borrower, except as expressly permitted under this Agreement as of the Effective Date, without the written consent of each Lender, or (vi) change any of the provisions

of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, including Section 2.19(b), without the written consent of each Lender; *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent; and *provided further* that the Administrative Agent may, with the written consent of the Borrower but without the consent of any other party to this Agreement, amend, modify or supplement the Loan Documents to cure any ambiguity, omission, mistake, typographical error, defect or inconsistency, so long as such amendment, modification or supplement does not adversely affect the rights of any Lender.

Section 9.03 *Expenses; Limitation of Liability; Indemnity; Etc.*. (a) Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) [reserved] and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 9.03, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans; *provided* that the Borrower shall not be required to reimburse the legal fees and expenses of more than one outside counsel (in addition to any special counsel and up to one local counsel in each applicable local jurisdiction) for all Persons indemnified under this clause (a) unless, in the written opinion of outside counsel reasonably satisfactory to the Borrower and the Administrative Agent, (x) representation of all such indemnified persons would be inappropriate due to the existence of an actual or potential conflict of interest or (y) the Administrative Agent and/or any such Lender are reasonably likely to have legal defenses available to it that are different from or additional to those available to the other indemnified persons.

(b) Limitation of Liability. To the extent permitted by applicable law (i) in the absence of gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment, the Borrower shall not assert, and the Borrower hereby waives, any claim against the Administrative Agent, any Joint Lead Arranger and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "**Lender-Related Person**") for any Liabilities arising from the use by unintended recipients of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof; *provided* that, nothing in this Section 9.03(b) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 9.03(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Indemnity. The Borrower shall indemnify the Administrative Agent, each Joint Lead Arranger and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee (limited to one primary counsel, one local counsel in each relevant jurisdiction and, solely in the case of an actual or perceived conflict of interest, one additional counsel to each group of affected Indemnitees that are similarly situated, taken as a whole), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, (ii) the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (iii) any Loan or the use of the proceeds therefrom, (iv) any actual or alleged presence or release of Hazardous Materials on or from any property owned, leased or operated by any member of the Credit Group, or any Environmental Liability related in any way to any member of the Credit Group, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation or proceeding is brought by the Borrower or its equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent (A) that such Liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other member of the Credit Group against any Indemnitee for material breach of such Indemnitee's express obligations hereunder (including, for the avoidance of doubt, any failure by such Indemnitee to comply with its obligation to fund any portion of its Loans as required hereby) or under any other Loan Document, if the Borrower or such other member of the Credit Group has obtained a final and non-appealable judgment in its favor on such claim as determined by a court of competent jurisdiction, or (B) any settlement with respect to such Liabilities or related expenses is entered into by such Indemnitee without Borrower's written consent (such consent not to be unreasonably withheld, delayed or conditioned), unless such settlement (x) includes an unconditional release of such Indemnitee from all Liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of such Indemnitee or any injunctive relief or other non-monetary remedy. The Borrower acknowledges that any failure to comply with its obligations under the preceding sentence may cause irreparable harm to the Indemnitees. This Section 9.03(c) shall not apply with respect to Taxes other than any Taxes that represent Liabilities arising from any non-Tax claim.

(d) Lender Reimbursement. To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a), (b) or (c) of this Section 9.03, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified Liability was incurred by or asserted against the Administrative Agent in its capacity as such; and *provided further* that any such payment by any Lender shall not affect the Borrower's obligations pursuant to paragraph (a), (b) or (c) of this Section.

(e) All amounts due under this Section shall be payable promptly after written demand therefor, such demand to be in reasonable detail setting forth the basis for and method of calculation of such amounts.

Section 9.04 *Successors and Assigns*. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder (other than as permitted by Section 6.02(a)) without the prior written consent of each Lender

(and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; *provided* that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) [reserved]; and

(C) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) each assignment shall be to an Eligible Assignee;

(B) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 (or an integral multiple of $1,000,000 in excess thereof) unless each of the Borrower and the Administrative Agent otherwise consent; *provided* that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with (except in the case of an assignment by a Lender to an Affiliate of such Lender) a processing and recordation fee of $3,500; and

(E) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Credit Group) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the term "**Approved Fund**" has the following meaning:

"**Approved Fund**" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section 9.04, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 9.04.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, the Commitment of, and the principal amount (and stated interest) of the Loans owing to each Lender (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.06(b), 2.17(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other entities (other than the Borrower or any Affiliate of the Borrower) (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain

solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section 9.04, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 9.04. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.16(e) as though it were a Lender.

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) except that each Lender shall disclose the Participant Register to the Borrower, the Administrative Agent and any other Person to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the U.S. Treasury regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.05 *Survival*. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to the Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative

Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 9.03 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 9.06 *Counterparts; Integration; Effectiveness; Electronic Execution*. (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "**Ancillary Document**") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided*, *further*, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this

Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 9.07 *Severability*. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.08 *Right of Set-off*. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and other obligations at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.19 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section 9.08 are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.09 *Governing Law; Jurisdiction; Consent to Service of Process*. (a) This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York. Notwithstanding the preceding sentence, interpretation of the provisions of the Project Thailand Transaction Agreement (including with respect to the satisfaction of the conditions contained therein, whether the Project Thailand Transaction has been consummated as contemplated by the Project Thailand Transaction Agreement, any interpretation of Company Material Adverse Effect, any determination of whether a Company Material Adverse Effect has occurred and whether any Specified Transaction Agreement Representations are accurate shall be construed in accordance with the laws of the State of Delaware.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(d) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section 9.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in any Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10 *WAIVER OF JURY TRIAL*. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11 *Headings*. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12 *Confidentiality*. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners (it being understood that such self-regulatory authority will be informed of the confidential nature of such Information); *provided* that, except with respect to any audit or examination conducted by bank accountants or by any governmental bank regulatory authority exercising examination or regulatory authority, the Administrative Agent or such Lender, as applicable, shall use reasonable efforts to promptly notify the Borrower of such disclosure (unless such disclosure is not legally permissible), (c) (i) to the extent required by applicable laws or regulations or by any subpoena or similar legal process or (ii) in connection with any pledge or assignment permitted under Section 9.04(d), it being understood that, in the case of this subclause (ii), the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.12, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction, or any actual or prospective credit insurance provider, relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or (i) in consultation with the Borrower, to any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder, the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder (it being understood that such rating agency, the CUSIP Service Bureau and/or such similar agency, as the case may be, will be informed of the confidential nature of such Information and instructed to keep such Information confidential). For the purposes of this Section 9.12, "**Information**" means all information received from the Borrower relating to the Credit Group or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; *provided* that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. In addition, the Administrative Agent and the Lenders may disclose this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Notwithstanding the foregoing, nothing in this Section 9.12 shall prohibit any Person from voluntarily disclosing or providing any Information within the scope of this confidentiality provision to any governmental, regulatory or self-regulatory organization (any such entity, a "**Regulatory Authority**") to the extent that any such prohibition on disclosure set forth in this Section 9.12 shall be prohibited by the laws or regulations applicable to such Regulatory Authority.

Section 9.13 *USA PATRIOT Act*. Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**PATRIOT Act**") and the **Beneficial Ownership Regulation** hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act and Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name, address and tax identification number of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the PATRIOT Act and Beneficial Ownership Regulation.

Section 9.14 *No Fiduciary Duty*. (a) The Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to the Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Borrower acknowledges and agrees that no Credit Party is advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to the Borrower with respect thereto.

(b) The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c) In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower, confidential information obtained from other companies.

Section 9.15 *Acknowledgement and Consent to Bail-in of Affected Financial Institutions*. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 9.16 *Interest Rate Limitation*. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

Section 9.17 *Certain ERISA Matters*. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84- 14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that none of the Administrative Agent or any of its Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(c) The Administrative Agent hereby informs the Lenders that it is not undertaking to provide investment advice or to give advice in a fiduciary capacity in connection with the transactions contemplated hereby, and that it has a financial interest in the transactions contemplated hereby in that it or one of its Affiliates (i) may receive interest or other payments with respect to the Loans, the Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

Section 9.18 *Acknowledgement Regarding Any Supported QFCs*. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

MERCK & CO., INC.

By: /s/ Melissa Leonard
Name: Melissa Leonard
Title: Senior Vice President and Treasurer

CITIBANK, N.A., as a Lender and as Administrative Agent

By: /s/ Richard Rivera
Name: Richard Rivera
Title: Vice President

[Signature Page to Merck DDTL Credit Agreement (2026)]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Darren Merten
Name: Darren Merten
Title: Managing Director

[Signature Page to Merck DDTL Credit Agreement (2026)]

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Mehreen Gaffar
Name: Mehreen Gaffar
Title: Vice President

[Signature Page to Merck DDTL Credit Agreement (2026)]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Robert Ehudin
Name: Robert Ehudin
Title: Authorized Signatory

SCHEDULE 2.01

Commitments

LENDER	AMOUNT OF COMMITMENT (US$)
Citibank, N.A.	$ 1,500,000,000
Bank of America, N.A.	$ 1,500,000,000
JPMorgan Chase Bank, N.A.	$ 1,500,000,000
Goldman Sachs Bank USA	$ 1,500,000,000
TOTAL	**$ 6,000,000,000**

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "**Assignment and Assumption")** is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor]* (the "**Assignor**") and [*Insert name of Assignee]* (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement"**), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "**Assigned Interest")**. Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor:_____

2. Assignee:_____

[and is an Affiliate/Approved Fund of [*identify Lender*][2]]

3. Borrower: Merck & Co., Inc.

4. Administrative Agent: Citibank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement dated as of April 1, 2026 among Merck & Co., Inc., the Lenders parties thereto, and Citibank, N.A., as Administrative Agent.

6. Assigned Interest:

---

2 Select as applicable.

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans[3]
	$	**$**	**%**
	$	**$**	**%**
	$	**$**	**%**

Effective Date: _____ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[3] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

Consented to and Accepted:

CITIBANK, N.A., as Administrative Agent

By: _____
Title:

[Consented to:][4]

[MERCK & CO. INC.]

By: _____
Title:

[4] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. *Representations and Warranties.*

1.1. *Assignor.* The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. *Assignee.* The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it is an Eligible Assignee and satisfies the other requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (v) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. *Payments.* From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. *General Provisions.* This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

[Form of Borrowing Request]

NOTICE OF BORROWING[1]

Citibank, N.A.,
as Administrative Agent
for the Lenders referred to below,
One Penns Way
Ops II, Floor 2
New Castle, DE 19720
Attention: Agency Operations
Email: usagencyservicing@citi.com

[Date]

Ladies and Gentlemen:

We refer to the Credit Agreement dated as of April 1, 2026 (the "**Credit Agreement"**; capitalized terms that are used herein but not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement) among the undersigned, certain lenders party thereto and Citibank, N.A., as Administrative Agent, and hereby give you notice pursuant to Section 2.03 of the Credit Agreement as follows:

Principal Amount[2]:	_____
Date of the Borrowing[3]:	_____
Type[4]:	_____
Initial Interest Period[5]:	_____
Borrower Information[6]:	_____

1 This letter shall be delivered no later than (x) in the case of an ABR Borrowing, not later than 11:00 a.m. (New York City time) on the date of such Borrowing, and (y) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m. (New York City time) on the date three (3) U.S. Government Securities Business Days before the date of such Borrowing.

2 Such amounts shall be (x) in the case of an ABR Borrowing, in an aggregate amount of $1,000,000 or an integral multiple of $100,000 in excess thereof and (y) in the case of a Term Benchmark Borrowing, in an aggregate amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof.

3 On any Business Day.

4 Either, "ABR Borrowing" or " Term Benchmark Borrowing."

5 Only for Term Benchmark Borrowings.

6 The location and number of the Borrower's account to which funds are to be disbursed.

Very truly yours,

MERCK & CO., INC.

By: _____
Name:
Title:

EXHIBIT C

[Form of Interest Election Request]

NOTICE OF INTEREST ELECTION[1]

Citibank, N.A.,
as Administrative Agent
for the Lenders referred to below,
One Penns Way
Ops II, Floor 2
New Castle, DE 19720
Attention: Agency Operations
Email: usagencyservicing@citi.com

[Date]

Ladies and Gentlemen:

We refer to the Credit Agreement dated as of April 1, 2026 (the "**Credit Agreement"** capitalized terms that are used herein but not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement) among the undersigned, certain lenders party thereto and Citibank, N.A., as Administrative Agent, and hereby give you notice pursuant to Section 2.07 of the Credit Agreement as follows:

Applicable Borrowing[2]: _____
Effective Date[3]: _____
Type[4]: _____
Applicable Interest Period[5]: _____

1 This letter shall be delivered no later than (x) in the case of an ABR Borrowing, not later than 11:00 a.m. (New York City time) on the date of such Borrowing, and (y) in the case of a Term Benchmark Borrowing, not later than 11:00 a.m. (New York City time) on the date three (3) U.S. Government Securities Business Days before the date of such Borrowing.

2 The Borrowing to which this Interest Election Request applies and, if different options are being elected with respect to different portions of the Borrowing, the portions thereof to be allocated to each resulting Borrowing (in which case the Type and applicable Interest Period shall be specified for each resulting Borrowing).

3 The effective date of the election made pursuant to this Interest Election Request, which shall be a Business Day.

4 Whether the resulting Borrowing is to be an ABR Borrowing or Term Benchmark Borrowing (or, solely to the extent applicable pursuant to Section 2.13, RFR Borrowing).

5 Only for Term Benchmark Borrowings.

Very truly yours,

MERCK & CO., INC.

By: _____
Name:
Title:

EXHIBIT D

Form of Section 2.16(e) Certificate

CERTIFICATE

Reference is made to the Credit Agreement dated as of April 1, 2026 (as from time to time amended, the "**Credit Agreement**") among Merck & Co., Inc., certain lenders parties thereto and Citibank, N.A., as Administrative Agent (in such capacity, the "**Administrative Agent**"). Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement. Pursuant to Section 2.16(e) of the Credit Agreement, [name of Foreign Lender] (the "**Lender**") hereby certifies that:

1. The Lender is the sole record and beneficial owner of the interest in the Loans and Commitments (the "**Interest**") in respect of which it is providing this certificate.

2. The Lender is not a "bank" for purposes of Section 881(c)(3)(A) of the Code, including that the Lender is not subject to regulatory or other legal requirements as a bank in any jurisdiction and has not been treated as a bank for purposes of any tax, securities law or other filing or submission made to any Governmental Authority, any application made to a rating agency or qualification for any exemption from tax, securities law or other legal requirements.

3. The Lender meets all of the requirements under Section 871(h) or 881(c) of the Code and the U.S. Treasury regulations thereunder to be eligible for a complete exemption from withholding of United States federal income tax on interest payments made to it under the Loan Documents, including without limitation, that it is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and amounts received by it pursuant to the Loan Documents are not effectively connected with its conduct of a trade or business in the United States.

4. The Lender shall promptly notify the Borrower and the Administrative Agent in writing if any of the certifications made herein are no longer true and correct.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF FOREIGN LENDER]

By: _____
Name:
Title:

Date: _____

MUTUAL CONFIDENTIAL DISCLOSURE AGREEMENT

This Mutual Confidential Disclosure Agreement (this "**Agreement**"), effective as of the date of last signature below (the "**Effective Date**"), is entered into by and between Merck Sharp & Dohme LLC, having an address of 126 East Lincoln Avenue, Rahway, NJ 07065 USA (hereinafter referred to as "**Merck**") and Terns Pharmaceuticals, Inc., having an address of 1065 East Hillsdale Blvd., Suite 100, Foster City, CA 94404 USA (hereinafter referred to as "**Terns**") (each a "**Party**" and collectively, the "**Parties**") and sets forth the terms and conditions under which the Parties will exchange certain proprietary and confidential information/data with respect to (i) Terns' clinical and pre-clinical metabolic programs, including thyroid hormone receptor-beta (TERN-501) and incretin programs (including its GLP-1 agonists and GIPR modulator programs), and (ii) Merck's interest in metabolic disorders (hereinafter collectively referred to as "**Subject Matter**").

1. All proprietary and non-public information/data respecting the Subject Matter that is disclosed to one Party and its Affiliates (the "**Receiving Party**") by or on behalf of the other Party or its Affiliates (the "**Disclosing Party**"), whether in oral, written, graphic or electronic form, shall be considered "**Confidential Information**", including, but not limited to, information regarding data, inventions, know-how, ideas, procedures, formulations, compounds, biologics, designs, formulae, methods, techniques, financial projections and/or terms, software, developmental or experimental work, clinical or other programs, and plans for research and development of a Party. Confidential Information of the Disclosing Party, in whole or in part, contained or incorporated in any copies, summaries, notes, reports, translations, analyses and/or studies, whether written or recorded in electronic or other format and on whatever media, shall also constitute Confidential Information of the Disclosing Party. For purposes of this Agreement, in the case of Merck, "**Affiliate**" means an entity at least 50% owned by, under common ownership with, or which owns at least 50% of, Merck; and in the case of Terns, "**Affiliate"** means each of Terns' subsidiaries, (i) Terns, Inc., a Delaware corporation, (ii) CaspianTern, LLC, a Delaware LLC, (iii) Terns Pharmaceutical HongKong Limited, organized in Hong Kong, (iv) Terns China Biotechnology Co., Ltd., organized in Shanghai, People's Republic of China, and (v) Terns (Suzhou) Biotechnology Co., Ltd., organized in Suzhou, People's Republic of China.

2. The Receiving Party shall maintain the secrecy of all Confidential Information disclosed to it by the Disclosing Party hereunder and shall use such Confidential Information only for the purpose of evaluating its interest in a potential arrangement with the Disclosing Party for research, development and/or commercialization regarding the Subject Matter (the "**Purpose**").

3. The Receiving Party shall not disclose any Confidential Information of the Disclosing Party to any third party, except to its directors, officers, employees, agents and consultants (collectively "**Representatives**") who have a need to know such Confidential Information for the Purpose and who are bound to maintain the confidentiality of the Confidential Information by written obligations of confidentiality and non-use at least as restrictive as those contained in this Agreement. Each Party may also disclose Confidential Information of the other Party, on a need-to-know basis for the Purpose to its Affiliates who shall be under the obligations of confidentiality and non-use set forth herein. Each Receiving Party shall (i) advise its Representatives of the proprietary nature of the Confidential Information and the terms and conditions of this Agreement requiring that the confidentiality of any such information be maintained and (ii) use all reasonable safeguards to prevent unauthorized use by such Representatives. Each Party shall be responsible for any non-compliance with, or breach of, this Agreement by any of its Representatives and Affiliates to which it has disclosed the other Party's Confidential Information. Additionally, each Party shall be responsible for notifying the other Party as soon as reasonably possible upon the discovery of any disclosure or use of the Confidential Information by either Party, its Representatives, or its Affiliates, that is unpermitted under this Agreement, and at its own expense, shall cooperate with the other Party's reasonable request to mitigate such breach and prevent any further breach hereof.

4. The obligations of confidentiality and non-use shall not apply to Confidential Information that the Receiving Party can demonstrate by contemporaneous, written or electronic documentation:

a) is in the public domain by use and/or publication at the time of its receipt from the Disclosing Party or thereafter enters into the public domain through no breach of this Agreement by the Receiving Party or its Representatives; or

b) was already in its or its Representative's possession prior to receipt from the Disclosing Party or is independently developed without use of, or reliance on, Confidential Information received from the Disclosing Party; or

c) is properly obtained by the Receiving Party or its Representatives from a third party that has a valid right to disclose such Confidential Information and does not have a confidentiality obligation to the Disclosing Party.

5. In the event a Receiving Party is required to disclose any Confidential Information received under this Agreement in order to comply with any law, regulation or valid court order, such Receiving Party may disclose such Confidential Information only to the extent necessary for such compliance; *provided, however*, that such Receiving Party shall give the other Party reasonable advance written notice of the required disclosure, to the extent permitted by law, to provide such other Party with the opportunity to seek confidential treatment of any Confidential Information to be disclosed and/or to obtain a protective order narrowing the scope of disclosure and shall reasonably cooperate with such other Party's efforts to seek confidential treatment of any Confidential Information to be disclosed and/or to obtain a protective order narrowing the scope of disclosure. Confidential Information that is disclosed pursuant to such required disclosure shall remain otherwise subject to the confidentiality and non-use provisions set forth herein.

6. Unless sooner terminated, for or without cause, by written notice from one Party to the other sent to the addresses set forth above, this Agreement shall expire on the second (2nd) anniversary of the Effective Date. Notwithstanding any expiration or termination of this Agreement, the Receiving Party's obligations, and those of its Representatives, of confidentiality and non-use concerning the Confidential Information of the other Party shall survive until the sixth (6th) anniversary of the expiration or earlier termination of this Agreement.

7. Upon the earlier of written request of the Disclosing Party or termination or expiration of this Agreement, all Confidential Information received by the Receiving Party from or on behalf of the Disclosing Party shall be promptly returned to the Disclosing Party or destroyed, as determined by the Receiving Party, *provided, however* that the Receiving Party may retain one (1) copy of such Confidential Information in its confidential files, solely for purposes of exercising the Receiving Party's rights hereunder, satisfying its obligations hereunder or complying with any legal proceeding or requirement with respect thereto and *further, provided*, that the Receiving Party shall not be required to erase electronic files created in the ordinary course of business during automatic system back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information so long as such electronic files are (i) maintained only on centralized storage servers (and not on personal computers or devices), (ii) not accessible by any of its personnel (other than its information technology specialists), and (iii) are not otherwise accessed subsequently except with the written consent of the Disclosing Party or as required by law or legal process. Such retained copies of Confidential Information shall remain subject to the confidentiality and non-use obligations herein.

8. All Confidential Information of a Disclosing Party that is disclosed hereunder shall remain the property of that Party. No patent or ownership right or license is granted by this Agreement, except for the Receiving Party's right to use the Confidential Information solely for the Purpose, and the parties acknowledge that the disclosure of Confidential Information hereunder does not result in any obligation of the Disclosing Party to grant the Receiving Party further rights in or to such Confidential Information or for the Parties to enter into further negotiations or any agreement with each other in relation to the Subject Matter.

9. The Disclosing Party makes no representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and shall have no liability as to the accuracy or completeness of the Confidential Information on any basis (including, without limitation, in contract, tort, under applicable securities laws or otherwise). The Receiving Party will not make any claims whatsoever against the Disclosing Party for any omissions or errors included in the Confidential Information. The Disclosing Party shall have no liability or responsibility for any decisions made by the Receiving Party in reliance on any Confidential Information disclosed under this Agreement. The Disclosing Party expressly disclaims any express or implied duty to update, supplement or correct any Confidential Information disclosed hereunder.

10. The Parties acknowledge that a material breach of this Agreement by the Receiving Party may cause irreparable harm to the Disclosing Party and that no remedy at law may adequately compensate the Disclosing Party for such harm. The Disclosing Party shall have the right to seek injunctive relief or other equitable relief without prejudice to any other rights or remedies that the Disclosing Party may have for the material breach of this Agreement.

11. No disclosure of the existence, or the terms, of this Agreement or the fact that discussions may be taking place between the Parties regarding the Subject Matter ("**Confidential Discussions**") may be made by either Party except to its Representatives and its Affiliates, who have a need to know such Confidential Discussions for the Purpose, and who are bound to maintain the confidentiality of such Confidential Discussions by written obligations of confidentiality and non-use at least as restrictive as those contained in this Agreement. Further, no Party shall use the name, trademark, trade name, or logo of the other Party, its affiliates, or their respective employee(s) in any publicity, promotion, news release or disclosure relating to this Agreement or its subject matter, without the prior express written permission of the other Party, except as may be required by law.

12. This Agreement shall inure to the benefit of and be binding on the Parties and their respective successors and permitted assigns. No failure or delay on the part of either Party in exercising any right under this Agreement shall operate as a waiver of, or impair, any such right. No single or partial exercise of any such right shall preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right shall have effect unless given in a signed, written document. No waiver of any right shall be deemed a waiver of any other right under this Agreement.

13. This Agreement represents the entire understanding between the Parties, and hereby supersedes any prior understandings, whether oral or written, between the Parties with respect to the subject matter hereof. This Agreement may not be modified, amended, waived or otherwise changed, in whole or in part, except in a writing that is signed by the authorized representatives of the Parties. If any portion of this Agreement or the application thereof to either Party is held by a court of competent jurisdiction to be invalid, illegal, non-binding or unenforceable in any respect, this Agreement shall be construed as if such invalid, illegal, non-binding or unenforceable provision had never been contained herein and the remaining portion hereof or applications to a Party shall remain in full force and effect.

14. This Agreement shall be governed by and construed and enforced according to the laws of the State of New York, United States of America, without regard to its principles of conflicts of laws.

15. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Signatures to this Agreement may be provided by facsimile transmission or PDF file, which shall be deemed to be original signatures.

[*The Remainder of This Page is Intentionally Left Blank*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the Effective Date.

Merck Sharp & Dohme LLC	**Terns Pharmaceutical, Inc.**
By /s/ Christopher Mortko	By /s/ Bryan Yoon
Christopher Mortko Ph.D., MBA	Bryan Yoon
Name	Name
Vice President, BD&L	Chief Operating Officer & General Counsel
Title	Title
September 28, 2023	
Date	Date

[*Signature Page to Confidentiality Agreement*]

Amendment No. 1
to the Mutual Confidential Disclosure Agreement
between
Merck Sharp & Dohme LLC and Terns Pharmaceuticals, Inc.

This Amendment No. 1 ("**Amendment No. 1**") is entered into as of the date of last signature below (the "**Amendment No. 1 Effective Date**") by and between Terns Pharmaceuticals, Inc., a corporation organized under the laws of the State of Delaware, with its principal place of business at 1065 East Hillsdale Blvd., Suite 100, Foster City, CA 94404 USA ("**Terns**") and Merck Sharp & Dohme LLC, a limited liability company organized under the laws of New Jersey, with its principal place of business at 126 E. Lincoln Avenue, Rahway, New Jersey 07065 USA ("**Merck**").

WHEREAS, Merck and Terns entered into that certain Mutual Confidential Disclosure Agreement effective September 28, 2023, ("the "**Agreement**"); and

WHEREAS, Merck and Terns desire to modify the Agreement to extend the expiration date, as more fully set forth below.

NOW THEREOFRE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Section 6 of the Agreement is hereby deleted in its entirety and replaced with the following:

   "Unless sooner terminated, for or without cause, by written notice from one Party to the other sent to the addresses set forth above, this Agreement shall expire on the third (3rd) anniversary of the Effective Date. Notwithstanding any expiration or termination of this Agreement, the Receiving Party's obligations, and those of its Representatives, of confidentiality and non-use concerning the Confidential Information of the other Party shall survive until the sixth (6th) anniversary of the expiration or earlier termination of this Agreement."

2. Except as modified by the terms of this Amendment No. 1, the Agreement is in all respects ratified and confirmed, and the Agreement as so amended by this Amendment No. 1 shall be read, taken and construed as one and the same instrument.

3. Capitalized terms used and not otherwise defined herein shall have the meaning given to them in the Agreement.

4. In the event of any inconsistency between the terms of this Amendment No. 1 and the terms of the Agreement, the terms of this Amendment No. 1 shall govern.

5. Except as expressly amended hereby, all of the terms and conditions of the Agreement remain in full force and effect.

6. This Amendment No. 1 may be signed in any number of counterparts (facsimile and electronic transmission included), each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the Amendment No. 1 Effective Date.

MERCK SHARP & DOHME LLC

By: /s/ Grace McMahon
Name: Grace McMahon
Title: AVP and Head, Pacific Business Development & Licensing
Date: 07/28/2025

TERNS PHARMACEUTICALS, INC.

By: /s/ Melita Sun Jung
Name: Melita Sun Jung
Title: CBO
Date: 7/27/2025

AMENDMENT No. 2 TO
MUTUAL CONFIDENTIAL DISCLOSURE AGREEMENT

This Amendment No. 2 to Mutual Confidential Disclosure Agreement ("**Amendment No. 2**"), effective as of the date of last signature below ("**Amendment No. 2 Effective Date**"), confirms the mutual understanding between Merck Sharp & Dohme LLC, a limited liability company organized under the laws of New Jersey, with a place of business at 126 East Lincoln Avenue, Rahway, New Jersey 07065 USA ("**Merck**") and Terns Pharmaceuticals, Inc., a corporation organized under the laws of the State of Delaware, having a place of business at 1065 East Hillsdale Blvd., Suite 100, Foster City, CA 94404 USA ("**Terns**") (each a "**Party**" and collectively the "**Parties**").

WHEREAS, the Parties entered into a Mutual Confidential Disclosure Agreement, effective September 28, 2023, as modified by Amendment No. 1, effective July 28, 2025 ("the agreement as so amended," the "**Agreement**"); and

WHEREAS, the Parties wish to revise the Subject Matter as detailed here in this Amendment No. 2;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The capitalized term "Subject Matter," defined in the preamble of the Agreement as "(i) Terns' clinical and pre-clinical metabolic programs, including thyroid hormone receptor-beta (TERN-501) and incretin programs (including its GLP-1 agonists and GIPR modulator programs), and (ii) Merck's interest in metabolic disorders" is hereby deleted and replaced in its entirety with "(i) Terns' clinical and pre-clinical metabolic programs, including thyroid hormone receptor-beta (TERN-501) and incretin programs (including its GLP-1 agonists and GIPR modulator programs), (ii) Terns' allosteric BCR-ABL inhibitor program (TERN-701), and (iii) Merck's interest in all of the foregoing and in metabolic disorders, as well as Merch's research and development capabilities".

2. Except as modified by the terms of this Amendment No. 2, the Agreement is in all respects ratified and confirmed, and the Agreement as so amended by this Amendment No. 2 shall be read, taken and construed as one and the same instrument. All other terms and conditions of the Agreement not specifically modified by this Amendment No. 2 shall remain in full force and effect. Capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Agreement. On and after the Amendment No. 2 Effective Date, each reference in the Agreement to this "Agreement", "hereunder", "herein", "hereof" or words of like import referring to the Agreement shall mean and be a reference to the Agreement as amended by this Amendment No. 2. In the event of any inconsistency between the terms of this Amendment No. 2 and the terms of the Agreement, the terms of this Amendment No. 2 shall govern. This Amendment No. 2 may be signed in any number of counterparts (facsimile and electronic transmission included), each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 to the Agreement to be executed by their duly authorized representatives as of the Amendment No. 2 Effective Date.

Merck Sharp & Dohme LLC

By: /s/ Christopher Mortko
Name: Christopher Mortko Ph.D., MBA
Title: Vice President, BD&L

Date: 12/22/2025

Terns Pharmaceuticals, Inc.

By: /s/ Melita Sun Jung
Name: Melita Sun Jung
Title: Chief Business Officer

Date: 12/19/2025

AMENDMENT NO. 3 TO MUTUAL CONFIDENTIALITY AGREEMENT

This Amendment No. 3 to Mutual Confidential Disclosure Agreement (this **"Third Amendment"**) is entered into and made effective as of February 6, 2026 (the **"Third Amendment Effective Date"**), by and among Terns Pharmaceuticals, Inc., a corporation organized under the laws of the State of Delaware, with its principal place of business at 1065 East Hillsdale Blvd., Suite 100, Foster City, CA 94404, USA (**"Terns"**), Merck Sharp & Dohme LLC, a limited liability company organized under the laws of New Jersey, with its principal place of business at 126 E. Lincoln Avenue, Rahway, New Jersey 07605 USA **("Merck",** together with Terns, the **"Parties,"** and each, a **"Party"**).

WHEREAS, Terns and Merck previously entered into a Mutual Confidential Disclosure Agreement, effective as of September 28, 2023, as amended by Amendment No. 1 to the Mutual Confidential Disclosure Agreement, effective as of July 28, 2025, and Amendment No. 2 to Mutual Confidential Disclosure Agreement, effective as of December 22, 2025 (the **"Agreement"**). Capitalized terms not otherwise defined in this Third Amendment have the meanings given to them in the Agreement;

WHEREAS, Section 13 of the Agreement provides that the Agreement may not be modified, amended, waived or otherwise changed, in whole or in part, except in a writing that is signed by the authorized representatives of the parties thereto; and

WHEREAS, the Parties wish to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, the Parties agree as follows:

1. Purpose. The "Purpose" under the Agreement is hereby expanded to include exploring, negotiating and consummating a potential acquisition of Terns or any of its subsidiaries by Merck or any of Merck's Affiliates (any such potential acquisition of Terns or any of its subsidiaries by Merck or any of Merck's Affiliates is referred to herein as a **"Transaction"**).

2. Subject Matter. The "Subject Matter" under the Agreement will be deemed to be expanded to include Terns and its subsidiaries and their business and assets and Merck's interest in any of the foregoing.

3. Term. Section 6 of the Agreement is hereby amended and restated in its entirety as follows:

"6. Unless sooner terminated, for or without cause, by written notice from one Party to the other sent to the addresses set forth above, this Agreement shall expire on the third (3rd) anniversary of the Third Amendment Effective Date. Notwithstanding any expiration or termination of this Agreement, (a) each Party's obligations of confidentiality and non-use under this Agreement shall survive until the sixth (6th) anniversary of the expiration or earlier termination of this Agreement, even after the return or destruction of the Disclosing Party's Confidential Information by the Receiving Party and (b) each Party's obligations pursuant to Section 16 and Section 17 shall survive for the period specified therein."

4. Standstill. The Agreement is hereby amended to include a new Section 16, which reads in its entirety as follows:

"16. Merck hereby agrees that, for a period of twelve (12) months from the Third Amendment Effective Date (the **"Standstill Period"**), unless specifically invited in writing by the board of directors of Terns or a duly constituted committee thereof (and only to the extent set forth in such invitation), neither Merck nor its Affiliates or other Representatives (acting on behalf of Merck or its Affiliates or at the direction of Merck or its Affiliates) will in any manner, directly or indirectly:

(a) effect or seek, offer or propose (whether publicly or otherwise) to effect, or participate in, knowingly facilitate or knowingly encourage any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or participate in:

(i) any acquisition of any voting securities (or beneficial ownership thereof), or rights or options to acquire any voting securities (or beneficial ownership thereof), of Terns or any of its subsidiaries, or assets of Terns or its subsidiaries constituting a material portion of the consolidated assets of Terns and its subsidiaries;

(ii) any tender offer or exchange offer, merger or other business combination involving Terns or any of its subsidiaries or assets of Terns or any of its subsidiaries constituting a material portion of the consolidated assets of Terns and its subsidiaries;

(iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to Terns or any of its subsidiaries; or

(iv) any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission) or votes from or by any holder of any voting securities of Terns or any of its subsidiaries in connection with any vote of the holders of any such securities;

(b) form, join or in any way communicate or associate with other securityholders of Terns or participate in a "group" (as such term is defined under the Securities Exchange Act of 1934, as amended), in each case, with respect to Terns or any of its subsidiaries or any voting securities of Terns or any of its subsidiaries;

(c) otherwise act, alone or in concert with others, (i) to seek or obtain representation on or to control, change, advise or influence the management, board of directors or policies of Terns or any of its subsidiaries, or (ii) to propose any matter to be voted upon by the stockholders of Terns or any of its subsidiaries or that any meeting of the stockholders of Terns be called or held;

(d) disclose or direct any person to disclose any intention, plan or arrangement inconsistent with the foregoing;

(e) take any action that would reasonably be expected to cause or require Merck or Terns or any of Merck's or Terns' respective Representatives to disclose, or make a public announcement regarding, any Confidential Information or any matter of the types set forth in this Section 16; or

(f) advise, assist or knowingly encourage or direct any person (including serving as a financing source for any other person) to advise, assist or knowingly encourage any other persons in connection with any of the foregoing.

Notwithstanding the foregoing, (1) Merck and its Affiliates and Representatives may initiate and engage in private, nonpublic discussions with, and submit confidential proposals to, the board of directors of Terns or a duly constituted committee thereof or the Chief Executive Officer of Terns, in each case with respect to the Purpose, (2) Merck and its Affiliates may make any offer or enter into any commercial transaction with respect to, or otherwise consummate, any commercial transaction in the ordinary course of business, and wholly unrelated to an acquisition transaction of the Terns or any of its subsidiaries, and (3) Merck and its Affiliates may make any acquisition of a company or business unit thereof that causes Merck or its Affiliates to "beneficially own" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) securities of Terns or any of its subsidiaries (or any derivative securities) so long as the purchase of such securities was not made on behalf of Merck or its Affiliates and the acquisition of such company or business unit was not made for the purpose of indirectly acquiring such securities.

Notwithstanding the foregoing, if at any time during the Standstill Period (x) Terns enters into a definitive agreement with a bona fide third party (not including Merck or any of its Affiliates) with respect to a transaction or a series of related transactions involving the acquisition by such bona fide third party of more than 50% of Terns' voting securities or a majority of Terns' assets (whether by merger, consolidation, business combination, tender or exchange offer, recapitalization, restructuring, sale, equity issuance or otherwise) or the license to such bona fide third party of a material portion of the assets of Terns (in each case, other than any such transaction with respect to any of Terns' product candidates other than TERN-701) or (y) a bona fide third party (not including Merck or any of its Affiliates) commences a tender or exchange offer that, if consummated, would result in such third party acquiring beneficial ownership of more than 50% of the voting securities of Terns, and Terns' board of directors either (A) that recommend in favor of such proposed tender or exchange offer or approves such offer or (B) within ten (10) business days after commencement of such tender or exchange offer, has not recommended against such tender or exchange offer, then the Standstill Period shall terminate and the restrictions contained in this Section 16 shall lapse."

5. Employee Non-Solicit/ Non-Hire. The Agreement is hereby amended to include a new Section 17, which reads in its entirety as follows:

"17. Merck hereby agrees that, for a period of one (1) year from the Third Amendment Effective Date, Merck and its Affiliates shall not, directly or indirectly, solicit for purposes of employment, offer to hire, hire, or enter into any employment contract with, any employee of Terns or any of its subsidiaries who has the title of senior director (or equivalent role), executive director (or equivalent role) or higher; provided that this Section 17 shall not prohibit (i) general solicitation via general advertising or the use of search firms, in each case not targeted at the employees of Terns or any of its subsidiaries, and any hiring that results solely as a result of such general solicitation, (ii) soliciting or hiring any former employee of Terns or any of its subsidiaries if his or her employment with Terns or any of its subsidiaries has ceased at least six (6) months prior to such solicitation or hiring or (iii) hiring any employee of Terns or any of its subsidiaries that independently approaches Merck or any of its Affiliates without any solicitation by Merck or any of its Affiliates (other than as permitted in this proviso). For the avoidance of doubt, disclosure of an employee census or other similar information shall not constitute "contact" or "knowledge of" for the purposes of the first sentence of this Section 17."

6. Remedies. Each Party agrees that the other Party would be irreparably injured by a breach of the Agreement and that money damages are an inadequate remedy for an actual or threatened breach of the Agreement. Therefore, each Party agrees to (and agrees not to oppose) the granting of specific performance of the Agreement and injunctive or other equitable relief in favor of the other Party as a remedy for any breach or threatened breach of the Agreement, without proof of actual damages. Each Party further agrees to waive any requirement for the securing or posting of any bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for any breach or threatened breach of the Agreement, but shall be in addition to all other remedies available at law or equity to the non-breaching Party.

7. Freshfields US LLP **("Freshfields")** is acting for Terns in connection with a Transaction. Freshfields is not providing any advice to Merck in relation to a Transaction. If Freshfields is acting or has acted for Merck in any unrelated matters, to the extent that any such representation constitutes a conflict of interest under the applicable ethical rules, Merck waives and consents to the conflict, provided that a Transaction is not substantially related to Freshfields' representation of Merck. If information Freshfields has as a result of acting for Merck is or becomes relevant to a Transaction, Freshfields will protect that information and not use it for Terns' benefit. Similarly, Merck also accepts that Freshfields is under no obligation to disclose to Merck information received through acting for Terns or any other client.

8. Effect of Third Amendment. From and after the execution and delivery of this Third Amendment, all references to the Agreement shall be deemed to be to the Agreement, as amended by this Third Amendment. Other than as expressly modified pursuant to this Third Amendment, all of the terms, conditions and other provisions of the Agreement shall continue to be in full force and effect in accordance with their respective terms. No reference to this Third Amendment need be made in any instrument or document making reference to the Agreement and any reference to the Agreement in any such instrument or document shall be deemed a reference to the Agreement as amended hereby.

9. Provisions Incorporated by Reference. Section 10 of the Agreement shall be deemed superseded by Section 6 of this Third Amendment, which shall be deemed incorporated in full in the Agreement, and Section 12, the third sentence of Section 13, and Sections 14-15 of the Agreement are incorporated by reference herein and shall apply *mutatis mutandis.*

10. Entire Agreement. The Agreement, as amended by this Third Amendment, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained therein and herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.

[Signature Pages Follow]

IN WITNESS WHEREOF, each Party has executed this Third Amendment by a duly authorized individual effective as of the Third Amendment Effective Date.

TERNS PHARMACEUTICALS, INC.

By: /s/ Caryn McDowell
Name: Caryn McDowell
Title: Chief Legal Officer and Corporate Secretary

TERNS, INC.

By: /s/ Caryn McDowell
Name: Caryn McDowell
Title: Chief Legal Officer and Corporate Secretary

[Signature Page to Amendment No. 3 to Mutual Confidentiality Agreement]

IN WITNESS WHEREOF, each Party has executed this Third Amendment by a duly authorized individual effective as of the Third Amendment Effective Date.

MERCK SHARP & DOHME LLC

By: /s/ Christopher Mortko
Name: Christopher Mortko Ph.D., MBA
Title: Vice President, BD&L

[Signature Page to Amendment No. 3 to Mutual Confidentiality Agreement]

Calculation of Filing Fee Tables

Table 1: Transaction Valuation

		Transaction Valuation	Fee Rate	Amount of Filing Fee
Fees to be Paid	1	$ 6,729,179,680.00	0.0001381	$ 929,299.71
Fees Previously Paid				
	Total Transaction Valuation:	$ 6,729,179,680.00		
	Total Fees Due for Filing:			$ 929,299.71
	Total Fees Previously Paid:			$ 0.00
	Total Fee Offsets:			$ 0.00
	Net Fee Due:			$ 929,299.71

Offering Note

[1] Estimated solely for purposes of calculating the filing fee. The transaction valuation was calculated by adding (a) the product of (i) $53.00 (the "Offer Price") and (ii) 115,458,298 Shares issued and outstanding, (b) the product of (i) 12,925,730 Shares pursuant to outstanding options granted and outstanding under equity plans and (ii) the excess of the Offer Price over $10.40 (the weighted average exercise price of such options) and (c) the product of (i) 1,117,996 restricted stock units and (ii) the Offer Price. The calculation of the filing fee is based on information provided by Terns as of April 2, 2026. The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory for Fiscal Year 2026, effective October 1, 2025, by multiplying the transaction value by 0.00013810.

Table 2: Fee Offset Claims and Sources ☑Not Applicable

		Registrant or Filer Name	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Fee Paid with Fee Offset Source
Fee Offset Claims								
Fee Offset Sources								