

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 16, 2022

Schrodinger, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-39206
(Commission File Number)

95-4284541
(I.R.S. Employer
Identification No.)

1540 Broadway, 24th Floor
New York, NY
(Address of principal executive offices)

10036
(Zip Code)

Registrant's telephone number, including area code: (212) 295-5800

Not Applicable

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	SDGR	The Nasdaq Stock Market LLC

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

Emerging growth company

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

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

Appointment of Geoffrey Porges as Chief Financial Officer

On August 16, 2022, the Board of Directors (the “Board”) of Schrödinger, Inc. (the “Company”) appointed Geoffrey Porges as Executive Vice President and Chief Financial Officer of the Company, effective upon the commencement of his employment with the Company on August 18, 2022 (the “Effective Date”). In connection with his appointment as Chief Financial Officer, Dr. Porges will serve as the Company’s principal financial officer.

As a result of Dr. Porges’ appointment as Chief Financial Officer, Jenny Herman, the Company’s Senior Vice President, Finance and Corporate Controller, will cease to serve as the Company’s interim principal financial officer. Ms. Herman will continue to serve as the Company’s principal accounting officer.

Prior to joining the Company, Dr. Porges, age 61, served as Vice Chairman of SVB Securities LLC (formerly known as SVB Leerink), the investment banking subsidiary of SVB Financial Group (“SVB Securities”), and as Venture Partner of SVB Capital, the private equity arm of SVB Financial Group, in each case, from January 2022 to August 2022. Prior to his role as Vice Chairman, Dr. Porges held positions of increasing responsibility at SVB Securities, including serving as Senior Managing Director from February 2019 to January 2022 and as Senior Biopharmaceuticals Analyst and Director of Therapeutics Research from November 2015 to February 2019. Prior to joining SVB Securities, Dr. Porges spent 13 years at Alliance Bernstein, an investment management firm, most recently serving as Managing Director. Prior to joining Alliance Bernstein, Dr. Porges was Chief Operating Officer and Head of Health, Medical and Biotechnologies Programs at BTG Plc, a pharmaceutical company, from 1999 to 2002 and was a member of the board of directors of Acambis plc from 2001 to 2003. Dr. Porges received a Bachelor of Medicine and a Bachelor of Surgery from the University of Sydney and an M.B.A. from Harvard Business School.

In connection with his appointment as Chief Financial Officer, Dr. Porges entered into an employment agreement with the Company (the “Employment Agreement”) on August 16, 2022, which became effective as of the Effective Date. Pursuant to the Employment Agreement, Dr. Porges will be paid an annual base salary of \$580,000 and will receive a sign-on bonus of \$230,000 (the “Sign-On Bonus”). If Dr. Porges is terminated by the Company for Cause (as such term is defined in the Executive Severance Plan (as defined below)) or resigns other than for Good Reason (as such term is defined in the Executive Severance Plan), he will be obligated to repay (i) if such termination or resignation occurs within 12 months following the Effective Date, 100% of the gross amount of the Sign-On Bonus or (ii) if such termination or resignation occurs between 12 months and 24 months following the Effective Date, 50% of the gross amount of the Sign-On Bonus.

Dr. Porges will be eligible to participate in the Company’s Senior Executive Incentive Compensation Plan (the “Cash Incentive Plan”), which provides for cash incentive payments based upon the attainment of performance targets established by the Compensation Committee (the “Compensation Committee”) of the Board. For 2022 only, subject to and in accordance with the terms of the Cash Incentive Plan, Dr. Porges is eligible for a target bonus of up to 50% of his annualized base salary, prorated for the period beginning on the Effective Date and ending on December 31, 2022.

Effective as of the Effective Date, the Company granted Dr. Porges a nonstatutory stock option (the “Option”) to purchase 180,000 shares of the Company’s common stock, \$0.01 par value per share (the “Common Stock”), at an exercise price per share equal to the closing price of the Common Stock on the Nasdaq Global Select Market on the Effective Date, which will vest as to 25% of the shares underlying the Option on the first anniversary of the Effective Date and, as to the remaining shares, monthly thereafter until the fourth anniversary of the Effective Date, subject to continued service. Effective as of the Effective Date, the Company granted Dr. Porges performance-based restricted stock units with respect to 90,000 shares of Common Stock (the “PSUs”). Each PSU represents a contingent right to receive one share of Common Stock upon the achievement of specified performance goals related to financial performance, investor engagement and business development and subject to continued service. The Option and the PSUs were granted pursuant to the Company’s 2021 Inducement Equity Incentive Plan, as amended, as an inducement material to Dr. Porges’ acceptance of employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4).

Dr. Porges will be entitled to participate in the Company’s Amended and Restated Executive Severance and Change in Control Benefits Plan, as amended (the “Executive Severance Plan”), which was amended and restated by the Board on August 16, 2022. The amended terms of the Executive Severance Plan are described in this Form 8-K under the heading “Amendment and Restatement of Executive Severance Plan”. In addition, Dr. Porges is entitled to the following additional severance benefits pursuant to the Employment Agreement. If Dr. Porges resigns for Good Reason prior to or more than twelve months after the closing of a Change in Control (as such term is defined in the Executive Severance Plan), he will be entitled to (i) continue receiving his base salary for nine months, (ii) Company contributions to the cost of health care continuation under the Consolidated Omnibus Budget Reconciliation Act for up to 12 months following the date of resignation, and (iii) the amount of any unpaid annual bonus determined by the Board in its

discretion to be payable to Dr. Porges for any completed bonus period which ended prior to the date of such resignation. If Dr. Porges is terminated by the Company without Cause or resigns for Good Reason prior to or more than twelve months after the closing of a Change in Control, the Option and the PSUs will vest and become fully exercisable and/or non-forfeitable as of the date of such termination or resignation. If Dr. Porges is terminated by the Company without Cause or resigns for Good Reason within twelve months after the closing of a Change in Control, all of Dr. Porges' equity awards that vest solely based on the passage of time and that are outstanding and unvested as of such termination or resignation and the PSUs will vest and become fully exercisable and/or non-forfeitable on the date of such termination or resignation. Entitlement to any severance or benefits under the Executive Severance Plan is contingent upon the effectiveness of a release in favor of the Company and compliance with restrictive covenant and other obligations to the Company.

In addition, Dr. Porges will enter into an indemnification agreement with the Company, the form of which was filed as Exhibit 10.21 to the Company's Registration Statement on Form S-1 (File No. 333-235890) filed with the Securities and Exchange Commission ("SEC") on January 10, 2020, pursuant to which the Company may be required, among other things, to indemnify Dr. Porges for certain expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by him in any action or proceeding arising out of his service as an officer of the Company.

As a condition to his employment, Dr. Porges was also required to sign a confidentiality, inventions, non-competition and non-solicitation agreement with the Company.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by the full text of the Employment Agreement, a copy of which is attached as Exhibit 10.1 hereto and incorporated by reference herein.

Dr. Porges does not have a family relationship with any of the Company's officers or directors and has no direct or indirect interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Amendment and Restatement of Executive Severance Plan

On August 16, 2022, upon the recommendation of the Compensation Committee, the Board adopted the Executive Severance Plan, effective immediately. The Executive Severance Plan amends and restates in its entirety the Amended and Restated Executive Severance and Change in Control Benefits Plan previously adopted on April 2, 2021 (the "First Amended Executive Severance Plan"), which was filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 filed with the SEC on August 12, 2021. The Executive Severance Plan provides for substantially the same severance payments and benefits as the First Amended Executive Severance Plan, except that it been revised to, among other things, (i) provide that each executive of the Company (other than the Chief Executive Officer) who is either subject to Section 16 of the Securities Exchange Act of 1934, as amended or has the title of Executive Vice President (each, a "Covered Executive") will be entitled to receive such Covered Executive's then-current monthly base salary for a period of nine months following a Non-Change in Control Termination (as such term is defined in the Executive Severance Plan), (ii) increase the multiple of base salary and bonus used to determine the lump sum payments to be made upon a Change in Control Termination (as such term is defined in the Executive Severance Plan) (x) in the case of the Chief Executive Officer, from 1.0 to 1.5 and (y) in the case of the other Covered Executives, from 0.75 to 1.0 and (iii) make other administrative and modernizing changes, including adding a provision that sets forth the procedures for certain disputes and claims arising thereunder.

The foregoing description of the Executive Severance Plan does not purport to be complete and is qualified in its entirety by the full text of the Executive Severance Plan, a copy of which is attached as Exhibit 10.2 hereto and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Employment Agreement, dated August 16, 2022, by and between Schrödinger, Inc. and Geoffrey Porges
10.2	Amended and Restated Executive Severance and Change in Control Benefits Plan, as amended
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURES

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

Schrödinger, Inc.

Date: August 18, 2022

By: _____ /s/ Yvonne Tran
Yvonne Tran
Chief Legal Officer and Corporate Secretary

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “Agreement”), is made as of August 16, 2022 by and between Schrödinger, Inc. (the “Company,” and, together with its subsidiaries and affiliates, the “Schrödinger Companies”), and Geoffrey Porges (the “Executive”) (together, the “Parties”).

RECITALS

WHEREAS, the Company desires to employ the Executive as its Executive Vice President and Chief Financial Officer; and

WHEREAS, the Executive has agreed to accept employment on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the Parties herein contained, the Parties hereto agree as follows:

- Agreement.** This Agreement shall be effective as of August 18, 2022 or such other date as the Parties may agree (the “Effective Date”). Following the Effective Date, the Executive shall be an employee of the Company until such employment relationship is terminated in accordance with Section 8 hereof (the “Term of Employment”).
 - Position.** During the Term of Employment, the Executive shall serve as Executive Vice President and Chief Financial Officer of the Company, based in and working out of the Company’s office in New York, New York and Executive’s home office in Fairfield County, Connecticut, and traveling as reasonably required by the Executive’s job duties.
 - Scope of Employment.** During the Term of Employment, the Executive shall be responsible for the performance of those duties consistent with the Executive’s position as Executive Vice President and Chief Financial Officer, in addition to such other duties as may from time to time be reasonably assigned to the Executive by the Company. The Executive shall report to the Chief Executive Officer of the Company and shall perform and discharge the Executive’s duties and responsibilities hereunder faithfully, diligently, and to the best of the Executive’s ability. The Executive shall devote the Executive’s full business time, loyalty, attention and efforts to the business and affairs of the Company and its affiliates; provided, however, that (i) the Executive may engage in charitable, educational, religious, civic and similar types of activities and (ii) the Executive may engage in the activity set forth on Schedule 1 attached hereto, with the activities in each of (i) and (ii) being permitted solely to the extent that such activities are not competitive with the business of the Company, do not individually or in the aggregate inhibit, interfere with, or prohibit the timely performance of the Executive’s duties hereunder, and do not create a potential business or fiduciary conflict, unless otherwise approved in writing by the Company. The Executive agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company that have been communicated to the Executive and/or made available on the Company’s intranet or in its Employee Handbook, and any changes therein that may be adopted from time to time by the Company.
 - Compensation.** As full compensation for all services rendered by the Executive to the Company and any of the other Schrödinger Companies during the Term of Employment, the Company will provide to the Executive the following:
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(a) **Base Salary.** Effective as of the Effective Date, the Executive shall receive a base salary at the annualized rate of **Five Hundred and Eighty Thousand Dollars and Zero Cents (\$580,000.00)** (the “Base Salary”). The Executive’s Base Salary shall be paid in equal installments in accordance with the Company’s regularly established payroll procedures. The Executive’s Base Salary will be reviewed on an annual or more frequent basis by the Company’s board of directors or the compensation committee thereof (the “Board”) and is subject to increase in the discretion of the Board. Executive’s Base Salary shall not be reduced except as part of a reduction that is applicable to all Executives (as defined in the Company’s Amended and Restated Executive Severance and Change in Control Benefits Plan (the “Executive Severance Plan”).

(b) **Annual Discretionary Bonus.** The Executive will be eligible to participate in the Company’s Senior Executive Incentive Compensation Plan (the “Incentive Plan”) in accordance with the terms and conditions thereof. For 2022 only, subject to and in accordance with the terms of the Incentive Plan, the Executive shall be eligible for a target bonus of up to 50% of the Executive’s annualized Base Salary (the “Target Bonus”), prorated for the period beginning on the Effective Date and ending on December 31, 2022.

(c) **Equity Award.** Subject to approval by the compensation committee of the Board or a majority of the Company’s Independent Directors as defined in Nasdaq Listing Rule 5605(a)(2), and as a material inducement to the Executive entering into employment with the Company and serving as Chief Financial Officer of the Company, on or about the Effective Date, the Company shall grant the Executive:

1. A nonstatutory stock option (the “Option”) to purchase **One Hundred Eighty Thousand (180,000)** shares of common stock, \$0.01 par value per share, of the Company (the “Common Stock”), such Option to (1) have an exercise price per share equal to the closing price per share of the Common Stock on the Nasdaq Global Select Market on the date of grant, (2) vest and become exercisable, subject to the Executive’s continued service on each applicable vesting date, at a rate of 25% of the total shares underlying the Option on the first anniversary of the Effective Date and, following that, as to an additional 1/48 of the total shares underlying the Option upon the Executive’s completion of each additional month of service over the 36-month period measured from the first anniversary of the Effective Date and (3) be subject to the terms and conditions of the Company’s 2021 Inducement Equity Incentive Plan and a nonstatutory stock option agreement between the Executive and the Company; and

2. **Ninety Thousand (90,000)** performance-based restricted stock units (the “PRSU” and, together with the Option, the “Equity Awards”), which PRSU shall (i) entitle the Executive to receive one share of Common Stock for each PRSU that vests, (ii) be subject to vesting set forth in the Performance-Based Restricted Stock Unit Agreement attached hereto as Exhibit A (the “PRSU Agreement”), in each case subject to the Executive’s continued employment on the applicable vesting date except as otherwise provided in Exhibit C attached hereto, and (iii) be subject to the terms and conditions of the Company’s 2021 Inducement Equity Incentive Plan and the PRSU Agreement.

3. The Equity Awards shall be awarded outside of the Company’s equity incentive plans as “inducement grants” within the meaning of Nasdaq Listing Rule 5635(c)(4). The Equity Awards are subject to adjustment for stock splits, combinations or other recapitalizations. The Executive’s rights in, and eligibility for, future equity awards will be determined by the Board or the Compensation Committee of the Board in its discretion. Notwithstanding the Executive’s partial year employment with the Company in 2022, the Company will not pro-rate the Executive’s annual equity grant in 2023.

(d) **Paid Time Off.** The Executive will be eligible for a maximum of twenty (20) days of paid time off (“PTO”) per calendar year. In addition, the Executive will receive paid holidays as determined annually according to the Company calendar. The use of PTO and other time off is governed by

applicable law and the Company's PTO policies, which may be modified at any time and without advance notice, to the extent permissible under applicable law.

(e) **Benefits.** The Executive will be eligible to participate in any and all benefits programs that the Company establishes and makes available to its senior executive employees from time to time, provided that the Executive is eligible under (and subject to all provisions of) the plan documents governing those programs. The benefits programs made available by the Company, and the rules, terms and conditions for participation in such benefit programs, may be changed by the Company at any time without advance notice (other than as required by such programs or under law).

(f) **Withholdings.** All compensation payable to the Executive shall be subject to applicable taxes and withholdings.

(g) **Indemnification and Liability Insurance.** The Executive shall be treated in a manner comparable to that of the Company's other senior executives with respect to indemnification and liability insurance (as outlined in the separate Indemnification Agreement).

5. **Sign-On Bonus.** The Company will pay the Executive a gross sign-on bonus of **Two Hundred and Thirty Thousand Dollars and Zero Cents (\$230,000.00)**, less applicable taxes and withholdings, within two pay periods after the Effective Date (the "Sign-On Bonus"). The Executive understands and agrees that if his employment is terminated by the Company for "Cause" (as defined in the Executive Severance Plan) or if the Executive voluntarily resigns from his employment with the Company (other than for Good Reason (as defined in the Executive Severance Plan)), he will repay: (i) 100% of the gross amount of the Sign-On Bonus if the termination date is within 12 months of the Executive's employment start date; and (ii) 50% of the gross amount of the Sign-On Bonus if the termination date is between 12 and 24 months of the Executive's employment start date. If repayment of the Sign-On Bonus is required under this Section, the Executive agrees to repay in full the applicable amount within 30 days following the Executive's last day of employment. The Executive or the Executive's estate will not be required to repay the Sign-On Bonus in the event of the Executive's termination of employment if by reason of a termination of the Executive's employment by the Company without Cause, by reason of resignation by the Executive of his employment with Good Reason, or by reason of the Executive's Disability (as defined in the Executive Severance Plan) or death.

6. **Expenses.** The Executive will be reimbursed for the Executive's actual, necessary and reasonable business expenses pursuant to Company policy, subject to the following provisions: all reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A of the Internal Revenue Code ("Section 409A"), including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in the Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

7. **Restrictive Covenants Agreement.** As a condition of the Executive's employment with the Company, the Executive will be required to sign the Confidentiality, Inventions, Non-Competition and Non-Solicitation Agreement attached hereto as Exhibit B.

8. **Employment Termination; Other Positions.** This Agreement and the employment of the Executive shall terminate upon the occurrence of any of the following:

(a) Upon the death or "Disability" (as defined in the Executive Severance Plan) of the Executive.

(b) At the election of the Company, with or without “Cause” (as defined in the Executive Severance Plan), immediately upon written notice by the Company to the Executive.

(c) At the election of the Executive, with or without “Good Reason” (as defined in the Executive Severance Plan), upon written notice. Nothing in this Section is intended to modify or supercede the terms or procedures under the Executive Severance Plan, including but not limited to the notice requirement thereunder. If Executive resigns without “Good Reason”, Executive agrees to provide thirty (30) days’ written notice to the Company (the “Notice Requirement”). Notwithstanding the foregoing, should the Executive provide notice pursuant to the Notice Requirement, the Company retains the right, in its sole discretion, to unilaterally accelerate the date of termination set forth in such notice and provide to the Executive (in addition to the Accrued Obligations (as defined below)) a payment equal to thirty (30) days of the Executive’s Base Salary less the amount of Base Salary the Executive received between the date of the written notice provided to the Company and the date of termination. For the avoidance of doubt, any such acceleration of the date of termination shall not result in or be deemed a termination by the Company for purposes of this Agreement or the Executive Severance Plan.

If, as of the date the Executive’s employment terminates for any reason, the Executive is a member of the Board (or the board of directors of any entity affiliated with the Company), or holds any other offices or positions with the Company (or any of the Schrödinger Companies), the Executive shall, unless otherwise requested by the Company, immediately relinquish and/or resign from any such board memberships, offices and positions as of the date his employment with the Company terminates. Executive agrees to execute such documents and take such other actions as the Company may request to reflect such relinquishments and/or resignation(s).

9. **Effect of Termination.** If the Executive’s employment is terminated under any circumstances, the Company’s obligations under this Agreement shall immediately cease and the Executive shall only be entitled to receive (i) any accrued but unpaid Base Salary, to be paid in accordance with the Company’s established payroll procedure and applicable law, (ii) any unreimbursed business expenses for which expenses the Executive has timely submitted appropriate documentation in accordance with Section 6 hereof, and (iii) any vested employee benefits, each as determined as of the date of termination (the “Accrued Obligations”). The Executive’s eligibility for and/or entitlement to any additional payments or benefits in connection with a termination of employment shall be governed exclusively by and be subject to all terms and conditions of the Executive Severance Plan, as modified by the provisions of Exhibit C attached hereto.

10. **Absence of Restrictions.** By signing this Agreement, the Executive represents and warrants that by accepting employment with and performing services for the Company, the Executive has not breached or violated and will not breach or violate any contract or legal obligation that the Executive may owe to any third party (including, without limitation, any current or former employer) that may restrict the Executive’s ability to perform services for the Company, or which are in any way inconsistent with any of the terms of this Agreement. The Executive further represents and warrants that, in connection with the Executive’s employment hereunder, the Executive shall not use or disclose any trade secrets or other proprietary information or intellectual property in which the Executive or any other person or entity has any right, title or interest, and that the Executive has returned all property and confidential information belonging to any prior employer.

11. **Notice.** Any notice delivered under this Agreement shall be deemed duly delivered three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, one (1) business day after it is sent for next-business day delivery via a reputable nationwide overnight courier service, or immediately upon hand delivery, in each case to the address of the recipient set forth below.

To the Executive:

At the address set forth in the Executive's personnel file

To the Company:

Schrödinger, Inc.
1540 Broadway
24th Floor
New York, NY 10036
Attention: Chief Executive Officer
With a copy to: Chief Legal Officer

Either Party may change the address to which notices are to be delivered by giving notice of such change to the other Party in the manner set forth in this Section 11.

12. **Employment Conditions.** The Executive's employment with the Company is contingent upon: (a) the Executive providing to the Company, within three (3) business days following the Executive's start date, documentation proving the Executive's eligibility to work in the United States, as required by the Immigration Reform and Control Act of 1986; (b) the Executive's compliance with the Company's COVID-19 vaccination policy (which requires employees to be fully vaccinated against COVID-19 in the absence of the Company's approval of a medical or religious exemption); and (c) the Executive's satisfactory completion of a criminal background check

13. **Applicable Law; Arbitration.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without reference to the conflict of laws provisions thereof). As a condition of the Executive's employment with the Company, the Executive will be required to sign the Confidentiality, Inventions, Non-Competition, and Non-Solicitation Agreement (attached hereto as Exhibit B) and the Mutual Arbitration Agreement (attached hereto as Exhibit D).

14. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of both Parties and their respective successors and assigns (including Executive's estate, heirs and representatives), including any corporation with which or into which the Company may be merged or which may succeed to its assets or business; provided, however, that the obligations of the Executive are personal and shall not be assigned by the Executive.

15. **At-Will Employment.** During the Term of Employment, the Executive will be an at-will employee of the Company, which means that, notwithstanding any provision set forth herein, the employment relationship can be terminated by either Party for any reason, at any time, with or without prior notice and with or without Cause (provided that the Executive agrees to comply with the notice provision set forth in Section 8(c) above).

16. **Acknowledgment.** The Executive states and represents that the Executive has had an opportunity to fully discuss and review the terms of this Agreement with an attorney. The Executive further states and represents that the Executive has carefully read this Agreement, understands the contents herein, freely and voluntarily assents to all of the terms and conditions hereof, and signs the Executive's name of the Executive's own free act.

17. **Company Premises and Property.** The Company's premises, including all workspaces, furniture, documents, and other tangible materials, and all information technology resources of the Company (including computers, data and other electronic files, and all internet and email) are subject to oversight and inspection by the Company at any time. Company employees should have no expectation of privacy with regard to any Company premises, materials, resources, or information. By signing this Agreement, the Executive acknowledges that any and all telephone conversations or transmissions, electronic mail or transmissions, or internet access or usage by Company employees by any electronic device or system, including but not limited to the use of a computer, telephone, wire, radio or

electromagnetic, photoelectric or photo-optical systems may be subject to monitoring at any and all times and by any lawful means.

18. **Data Privacy.** The Executive acknowledges and agrees that the Company has the right to collect, use and disclose the Executive's personal information for purposes relating to the administration of the Executive's employment with the Company, including administering the Executive's compensation and benefits and compliance with any regulatory, reporting and withholding requirements. The Executive acknowledges and agrees that the Executive's personal information may be disclosed by the Company to any of the Schrödinger Companies, as appropriate and necessary for such purposes. The Company will take reasonable steps to maintain physical, technical and procedural safeguards regarding the Executive's personal information. The Executive consents to the transmission, processing, and storage of the Executive's personal information in the United States and, as needed, at international service centers outside the United States.

19. **No Oral Modification, Waiver, Cancellation or Discharge.** This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive. No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

20. **Captions and Pronouns.** The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

21. **Interpretation.** The Parties agree that this Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the drafting Party. References in this Agreement to "include" or "including" should be read as though they said "without limitation" or equivalent forms. References in this Agreement to the "Board" shall include any authorized committee thereof.

22. **Severability.** Each provision of this Agreement must be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Moreover, if a court of competent jurisdiction determines any of the provisions contained in this Agreement to be unenforceable because the provision is excessively broad in scope, whether as to duration, activity, geographic application, subject or otherwise, it will be construed, by limiting or reducing it to the extent legally permitted, so as to be enforceable to the extent compatible with then applicable law to achieve the intent of the Parties.

23. **Entire Agreement.** This Agreement, Schedule 1, and Exhibits A through D attached hereto constitute the entire agreement between the Parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, including without limitation any prior offer letter, draft employment agreement, or discussions relating to the Executive's employment with the Company.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year set forth below.

Schrödinger, Inc.

By: /s/ Jennifer Daniel

Name: Jennifer Daniel

Title: Chief Human Resources Officer

Date: August 17, 2022

Executive:

/s/ Geoffrey Porges

Date: August 16, 2022

EXHIBIT A

Schrödinger, Inc.

RESTRICTED STOCK UNIT AGREEMENT

Granted under 2021 Inducement Equity Incentive Plan

Schrödinger, Inc. (the “Company”) hereby grants the following restricted stock units pursuant to its 2021 Inducement Equity Incentive Plan. The terms and conditions attached hereto are also a part hereof.

Notice of Grant

Name of recipient (the “ <u>Participant</u> ”):	Geoffrey Porges
Grant Date:	August 18, 2022
Number of restricted stock units (“ <u>RSUs</u> ”) granted:	90,000
Number, if any, of RSUs that vest immediately on the grant date:	None
RSUs that are subject to vesting schedule:	90,000
Vesting Start Date:	Grant Date

Vesting Schedule:

The Vesting of the RSUs is subject to the achievement of the performance metrics set forth in Exhibit 1. All such vesting is dependent on the Participant remaining an Eligible Participant, as provided herein. To the extent there is any conflict between this Agreement and the Employment Agreement of even date herewith between the Company and Participant or between this Agreement and the Company’s Amended and Restated Executive Severance and Change in Control Benefits Plan (the “Executive Severance Plan”), the Employment Agreement and Exhibit C thereto will control.

Signature of Participant

Schrödinger, Inc.

Street Address Name of Officer

By: _____

City/State/Zip Code

Title: _____

Schrödinger, Inc.
Restricted Stock Unit Agreement
Granted under 2021 Inducement Equity Incentive Plan
Incorporated Terms and Conditions

1. Award of Restricted Stock Units.

In consideration of services rendered and to be rendered to the Company by the Participant, the Company has granted to the Participant, subject to the terms and conditions set forth in this Restricted Stock Unit Agreement (this “Agreement”) and in the Company’s 2021 Inducement Equity Incentive Plan (the “Plan”), an award with respect to the number of restricted stock units (the “RSUs”) set forth in the Notice of Grant that forms part of this Agreement (the “Notice of Grant”). Each RSU represents the right to receive one share of common stock, \$0.01 par value per share, of the Company (the “Common Stock”) upon vesting of the RSU, subject to the terms and conditions set forth herein.

The RSUs evidenced by this Agreement were granted to the Participant pursuant to the inducement grant exception under Nasdaq Stock Market Rule 5635(c)(4), as an inducement that is material to the Participant’s employment with the Company.

2. Vesting.

The RSUs shall vest in accordance with the Vesting Schedule set forth in the Notice of Grant (the “Vesting Schedule”). Any fractional shares resulting from the application of any percentages used in the Vesting Schedule shall be rounded down to the nearest whole number of RSUs. As soon as practicable after the vesting of the RSU, the Company will deliver to the Participant, for each RSU that becomes vested, one share of Common Stock, subject to the payment of any taxes pursuant to Section 7. The Common Stock will be delivered to the Participant as soon as practicable following each vesting date, but in any event within 30 days of such date.

3. Forfeiture of Unvested RSUs Upon Cessation of Service.

In the event that the Participant ceases to be an Eligible Participant (as defined below) for any reason or no reason, with or without cause, all of the RSUs that are unvested as of the time of such cessation shall be forfeited immediately and automatically to the Company, without the payment of any consideration to the Participant, effective as of such cessation. The Participant shall have no further rights with respect to the unvested RSUs or any Common Stock that may have been issuable with respect thereto. The Participant shall be an “Eligible Participant” if he or she is an employee, director or officer of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants or advisors of which are eligible to receive awards of RSUs under the Plan.

4. Restrictions on Transfer.

The Participant shall not sell, assign, transfer, pledge, hypothecate, encumber or otherwise dispose of, by operation of law or otherwise (collectively “transfer”) any RSUs, or any interest therein. The Company shall not be required to treat as the owner of any RSUs or issue any Common Stock to any transferee to whom such RSUs have been transferred in violation of any of the provisions of this Agreement.

5. Rights as a Stockholder.

The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock that may be issuable with respect to the RSUs until the issuance of the shares of Common Stock to the Participant following the vesting of the RSUs.

6. Provisions of the Plan.

This Agreement is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this Agreement.

7. Tax Matters.

(a) Acknowledgments; No Section 83(b) Election. The Participant acknowledges that he or she is responsible for obtaining the advice of the Participant's own tax advisors with respect to the award of RSUs and the Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with respect to the tax consequences relating to the RSUs. The Participant understands that the Participant (and not the Company) shall be responsible for the Participant's tax liability that may arise in connection with the acquisition, vesting and/or disposition of the RSUs. The Participant acknowledges that no election under Section 83(b) of the Internal Revenue Code of 1986, as amended, (the "Code") is available with respect to RSUs.

(b) Withholding. The Participant acknowledges and agrees that the Company has the right to deduct from payments of any kind otherwise due to the Participant any federal, state, local or other taxes of any kind required by law to be withheld with respect to the vesting of the RSUs. At such time as the Participant is not aware of any material nonpublic information about the Company or the Common Stock and the Participant is not subject to any restriction on trading activities with respect to the Common Stock pursuant to any Company insider trading or other policy, the Participant shall execute the instructions set forth in Schedule A attached hereto (the "Durable Automatic Sale Instructions") as the means of satisfying such tax obligation; provided that if the Participant has previously executed and delivered to the Company effective automatic sale instructions that by their terms apply to the tax obligation arising from the vesting of the RSUs, the Participant shall not be required to execute the instructions set forth in Schedule A. If the Participant does not execute the Automatic Sale Instructions prior to an applicable vesting date, then the Participant agrees that if under applicable law the Participant will owe taxes at such vesting date on the portion of the award then vested the Company shall be entitled to immediate payment from the Participant of the amount of any tax required to be withheld by the Company. The Company shall not deliver any shares of Common Stock to the Participant until it is satisfied that all required withholdings have been made.

8. Miscellaneous.

(a) Section 409A. The RSUs awarded pursuant to this Agreement are intended to be exempt from or comply with the requirements of Section 409A of the Code and the Treasury Regulations issued thereunder ("Section 409A"). The delivery of shares of Common Stock on the vesting of the RSUs may not be accelerated or deferred unless permitted or required by Section 409A.

(b) Participant's Acknowledgements. The Participant acknowledges that he or she: (i) has read this Agreement; (ii) has been represented in the preparation, negotiation and execution of this Agreement by legal counsel of the Participant's own choice or has voluntarily declined to seek such counsel; (iii) understands the terms and consequences of this Agreement; (iv) is fully aware of the legal and binding effect of this Agreement; and (v) agrees that in accepting this award, he or she will be bound by any clawback policy that the Company may adopt in the future.

[Remainder of Page Intentionally Left Blank]

Schedule A**Durable Automatic Sale Instructions**

This Durable Automatic Sale Instruction is being delivered to Schrödinger, Inc. (the “Company”) by the undersigned (the “Participant”) on the date set forth below. The Participant acknowledges that the Company has granted, or may in the future from time to time grant, to the Participant restricted stock units (“RSUs”) under the Company’s equity incentive plans as in effect from time to time. The Participant hereby consents and agrees that any taxes due on or following a vesting date as a result of the vesting or settlement of RSUs on such date shall be paid through a durable automatic sale of shares as follows:

(a) The Participant desires to establish a process to satisfy such withholding obligation in respect of all RSUs that have been, or may in the future be, granted by the Company to the Participant through an automatic sale of a portion of the shares of the Common Stock that would otherwise be issued to the Participant on each applicable vesting date, such portion to be in an amount sufficient to satisfy such withholding obligation, with the proceeds of such sale delivered to the Company in satisfaction of such withholding obligation.

(b) Upon any vesting of the Participant’s RSUs from and after the date of this Durable Automatic Sale Instructions, the Company shall arrange for the sale of such number of shares of Common Stock issuable with respect to the Participant’s RSUs that vest as is sufficient to generate net proceeds sufficient to satisfy the Company’s minimum statutory withholding obligations with respect to the income recognized by the Participant upon or following the vesting of the RSUs (based on minimum statutory withholding rates for all tax purposes, including payroll and social security taxes, that are applicable to such income), and the net proceeds of such sale shall be delivered to the Company in satisfaction of such tax withholding obligations.

(c) The Participant hereby appoints the Chief Executive Officer, the Chief Financial Officer and the Chief Legal Officer (or a person holding a similar title), and any of them acting alone and with full power of substitution, to serve as his or her attorneys in fact to arrange for the sale of the Participant’s Common Stock in accordance with this Schedule A. The Participant agrees to execute and deliver such documents, instruments and certificates as may reasonably be required in connection with the sale of the shares pursuant to this Schedule A.

(d) The Participant represents to the Company that, as of the date hereof, he or she is not aware of any material nonpublic information about the Company or the Common Stock and is not subject to any restriction on trading activities with respect to the Common Stock pursuant to any Company insider trading policy or other policy or prohibited from entering into these Durable Automatic Sales Instructions by an such policy. The Participant and the Company have structured this Agreement, including this Schedule A, to constitute a “binding contract” relating to the sale of Common Stock, consistent with the affirmative defense to liability under Section 10(b) of the Securities Exchange Act of 1934, as amended under Rule 10b5-1(c) promulgated under such Act.

The Company shall not deliver any shares of Common Stock to the Participant until it is satisfied that all required withholdings have been made.

Signature:

Participant Name:

Date:

EXHIBIT 1**PERFORMANCE METRICS**

The RSUs shall vest as to the number of RSUs corresponding to each Performance Goal, in each case, as set forth in the table below, and in each case solely on certification by the Company's Compensation Committee of achievement of the applicable Performance Goal (which certification shall occur promptly following the Performance Date). If the applicable Performance Goal has not been achieved by the applicable Performance Date set forth in the table below, the corresponding number of RSUs shall be forfeited and the Participant will no longer have any rights with respect thereto. The Participant must be an Eligible Participant on the date of certification of the applicable Performance Goal by the Compensation Committee in order for the corresponding RSUs to vest. Certain terms are defined below.

Performance Goal	Weight	Shares	Performance Date
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]

[**]

EXHIBIT B**Confidentiality, Inventions, Non-Competition, and Non-Solicitation Agreement**

This Confidentiality, Inventions, Non-Competition, and Non-Solicitation Agreement (“Agreement”) is made by and between Schrödinger, Inc. (“Company”) and Geoffrey Porges (“Employee”).

In consideration of Employee’s employment by Company to perform certain services for Company and/or one or more subsidiaries of and/or other Affiliates (as hereinafter defined) of Company (collectively, Company, its subsidiaries, and its other Affiliates shall be referred to as the “Schrödinger Companies”), Company’s agreement to provide Employee with confidential information, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Employee agrees as follows:

1. Confidentiality.

- 1.1 Definition. For the purposes of this Agreement, “Confidential Information” shall mean any information, whether or not in writing, of a private, secret or confidential nature concerning Schrödinger Companies’ business or financial affairs, including but not limited to:
- (a) any inventions, trade secrets, discoveries, know-how, research, improvements, concepts, ideas, and principles whether or not patentable or copyrightable (including without limitation processes, methods, formulae, techniques, devices, designs, software, computer processing systems and techniques, algorithms, flow charts, specifications, computer graphics, data, apparatus, products, and molecular structures), relating to past, present, or contemplated future activities of one or more Schrödinger Companies;
 - (b) price lists, customer lists, supplier lists, business plans, marketing plans, financial and payroll information, as well as any information contained in documents marked “Confidential,” which relates to the business of one or more Schrödinger Companies and which Employee may prepare, use, or have access to in the course of Employee’s employment;
 - (c) the fact that one or more Schrödinger Companies uses, has used, or has evaluated for potential use any inventions, discoveries, know-how, research, improvements, concepts, ideas, or principles whether or not patentable or copyrightable (including without limitation processes, methods, formulas, techniques, devices, designs, software, computer processing systems and techniques, algorithms, flow charts, specifications, computer graphics, data, apparatus, products, and molecular structures), whether developed by such Schrödinger Companies or by any other party;
 - (d) the results of any marketing, advertising, joint venture, business, financial, or other analysis conducted by (or on behalf of) one or more Schrödinger Companies for the internal use of one or more Schrödinger Companies or for other non-public use (and not approved by Company for general dissemination to the public);
 - (e) any information that would typically be included in a company's income statement, including but not limited to the amount of such company’s revenues, expenses, or net income;
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- (f) any plans for the business of one or more Schrödinger Companies (whether or not such plans have been reduced to writing), financial information concerning such plans (including without limitation projected revenues, projected expenses, and projected net income), descriptions of such business and technical aspects of or relating to the operation of such business, and products and services that one or more Schrödinger Companies is considering exploring, developing, and/or researching;
- (g) any other information gained in the course of Employee's employment with the Company that could reasonably be expected to prove deleterious to any Schrödinger Company if disclosed to third parties, including without limitation any information that could reasonably be expected to aid a competitor of any Schrödinger Company in making inferences regarding the nature of the Schrödinger Companies' activities, where such inferences could reasonably be expected to adversely affect the competitive position of any Schrödinger Company relative to that of such a competitor;
- (h) any other information gained in the course of or incident to Employee's employment that a Schrödinger Company has received from a third party and is required to hold confidential; and
- (i) any other information gained in the course of or incident to Employee's employment that one or more Schrödinger Companies treats or designates as Confidential Information and that is not publicly available; and
- (j) personally identifiable information of other employees, job applicants, vendors, consultants, or any other third parties, including without limitation name, address, telephone or facsimile number, Social Security Number ("SSN") or other government identification number, financial information, health information, or other information entrusted to a Schrödinger Company that identifies an individual or relates to an identifiable individual under applicable law (collectively, "Personal Information").

"Confidential Information" shall not include information which Employee can show (x) is or becomes part of the public domain through no fault of Employee; (y) is already known to Employee and has been identified in writing prior to the date of this Agreement; or (z) is subsequently received by Employee from a third party who has no obligation of confidentiality to one or more Schrödinger Companies.

- 1.2 Acknowledgment of Proprietary Interest. Employee acknowledges that the Confidential Information described above is proprietary to one or more Schrödinger Companies and contains valuable trade secrets of one or more Schrödinger Companies.
 - 1.3 Covenant Not to Disclose Confidential Information. Employee shall not, during Employee's employment or at any time thereafter, disclose or use, directly or indirectly, except in pursuit of Employee's duties to one or more Schrödinger Companies, any Confidential Information, unless Employee shall first secure written consent of the Company to such disclosure or use, or unless Employee is compelled to do so by court order or applicable law and Employee provides prior written notice of such disclosure to the Company (except as set forth below). Without limiting the foregoing, Employee agrees not to publish, or cause or authorize to be published, any document containing Confidential Information or related to Company's Business (as defined herein), without Company's prior written approval (which may be granted or withheld in Company's sole discretion). "Company's Business" includes, collectively: (i) designing, developing, distributing, selling, licensing, leasing and servicing computer software programs for use principally in the fields of quantum chemistry,
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computational chemistry, molecular mechanics/dynamics, protein structure prediction, computational ligand docking, and other science and technology fields; (ii) providing services and performing research involving the use of such software in connection with various biological, chemical, and materials science applications; and (iii) other activities in which the Company may engage in the future.

Employee further acknowledges that there are laws in the United States and other countries that protect Personal Information and that, pursuant to such laws, Employee must not use such information other than for the purpose for which it was originally used or make any disclosures of such Personal Information to any third party or from one country to another in a manner inconsistent with applicable laws and any Company policies relating to the use of Personal Information.

Notwithstanding anything to the contrary stated above, this Agreement does not prohibit Employee from reporting possible violations of applicable law or regulation to any governmental agency or self-regulatory organization, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation. Employee does not need the Company's prior authorization to make any such report or disclosure, nor is Employee required to notify the Company that Employee has made any such report or disclosure. Also notwithstanding anything to the contrary set forth above or elsewhere in this Agreement, Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law, or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Finally, if Employee commences a legal proceeding for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the Company's trade secrets to Employee's attorney and use the trade secret information in the legal proceeding if Employee: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to an order issued by a court or an arbitrator of competent jurisdiction.

- 1.4 Acknowledgment of Reasonableness. The Company and Employee hereby acknowledge that (a) the Company's market for its products is unlimited geographically and the foregoing non-disclosure requirements shall apply to Employee on a worldwide basis, and (b) the geographical and durational limitations imposed with respect to the Confidential Information are fair and reasonable, and are reasonably necessary to protect the Confidential Information of the Company. In the event that any provision relating to the geographical, durational, or other restrictions on Employee are declared by a court of competent jurisdiction to exceed the maximum time period, area, or other measure such court deems reasonable and enforceable, said time period, area, or other measure shall be deemed to become and thereafter be the maximum amount which such court deems reasonable and enforceable.
 - 1.5 Return of Materials at Termination. Promptly upon termination of Employee's employment for any reason (or earlier, upon the request of the Company), Employee will return to the Company all written materials, computer software programs, or other materials containing Confidential Information and all other materials or documents, including without limitation mailing lists, computer printouts, and computer disks and tapes, belonging to one or more Schrödinger Companies which contain information pertaining to Company's Business, including all scientific and development materials, code, methods, clients, potential clients, customers, potential customers, funding providers, potential funding providers, or employees, unless Company consents in writing to Employee's retention thereof. Except in connection with the performance of Employee's duties hereunder, Employee agrees not to make or retain copies or excerpts or electronically transmit any Confidential Information.
 - 1.6 Remedies upon Breach. Employee recognizes that the disclosure or use of any Confidential Information would cause Company irreparable injury, which may not be
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adequately compensated by damages. Accordingly, in the event Employee breaches or threatens to breach any provision of this Agreement, Company shall be entitled to an injunction restraining Employee from disclosing or using, in whole or in part, any Confidential Information, or from rendering any services to any person, firm, corporation, or other entity to whom such Confidential Information, in whole or in part, has been, is threatened to be, or would necessarily be disclosed or used by Employee. Nothing herein shall be construed as prohibiting Company from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from Employee or any third party. The right of Company to seek equitable relief under this Agreement shall be in addition to (and not in derogation of) the requirement imposed on each party hereto to arbitrate disputes as provided in the Arbitration Agreement between Employee and Company.

- 1.7 Ownership of Confidential Information. All Confidential Information and all right, title and interest in and to patents, patent rights, copyright rights, mask work rights, trade secret rights, and all other intellectual property and proprietary rights anywhere in the world (collectively, “Rights”) in connection therewith shall be the sole property of the relevant Schrödinger Company, which, if other than Schrödinger, Inc., shall be a third-party beneficiary of this Agreement. Employee hereby assigns to the Company any Rights Employee may have or acquire in such Confidential Information.
- 1.8 Confidential Information of Others. Employee agrees not to disclose to any Schrödinger Company any confidential or proprietary information belonging to any of Employee's previous employers, or belonging to any other party, without first securing the written permission of such previous employers or other parties. In addition, Employee represents and warrants that Employee (i) has not brought and will not bring any confidential or proprietary information belonging to any of Employee's previous employers or to any other person; (ii) will refrain from using while employed by the Company any such confidential or proprietary information; (iii) is not subject to any written non-compete or any other agreement which will affect or limit Employee's employment with the Company; and (iv) has complied and will comply with the non-disclosure, non-compete, and other provisions of Employee's agreements with Employee's prior employers and with other persons. Employee agrees to indemnify each Schrödinger Company for any expense, claim, or damages (including without limitation attorneys' fees, costs of investigation, and costs of collection) suffered by such entity relating to a breach of the terms of this Section by Employee.
- 1.9 Protection of Personal Information. Employee agrees to properly safeguard Personal Information, regardless of its form (e.g., paper and electronic records containing Personal Information), including after termination of employment, and acknowledges that improperly using or disclosing Personal Information may subject Employee to disciplinary action, up to and including termination of employment. Employee's obligations include, but is not limited to:
- (a) preventing unauthorized access to, and protecting the security and confidentiality of, Personal Information;
 - (b) only collecting, accessing, using, maintaining, transporting or disclosing the minimum amount of Personal Information that is necessary and relevant to perform Employee's work responsibilities;
 - (c) only disclosing Personal Information to individuals who are authorized to access (and need such access to) Personal Information to perform their job responsibilities, and only where such disclosure is permitted by applicable law;
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- (d) holding Personal Information in strict confidence, both during and after employment with a Schrödinger Company;
- (e) only removing Personal Information from Company premises when necessary and relevant to perform Employee's work responsibilities;
- (f) not using Personal Information for unauthorized purposes and not permitting Personal Information to be used for unauthorized purposes (e.g., for Employee's own benefit or for the benefit of any third party);
- (g) properly disposing of Personal Information in a manner that is commensurate with the degree of risk posed by such Information (e.g., ensuring that SSNs are disposed of so as to make them unreadable, such as by shredding paper documents that contain SSNs or wiping or destroying electronic media that contains SSNs); and
- (h) notifying Company in the event of actual or suspected unauthorized access to Personal Information.

2. Inventions.

2.1 (a) Proprietary Rights; Assignment. All right, title and interest, and all proprietary claims to all data and other information, inventions (whether or not patentable), works of authorship, processes or know-how, designs, and/or ideas for formulae, including but not limited to methodology, computer programs, systems, materials and manuals that Employee, alone or with others, makes, creates, develops, conceives, or reduces to practice (a) in the course of Employee's employment with the Company, whether during regular working hours or other hours; or (b) during the period of Employee's employment, whether or not in the course of such employment, to the extent the same is related to Company's business or actual or demonstrably anticipated research or development or is made, created, developed, conceived, or first reduced to practice with the time, private or proprietary information, or facilities of one or more Schrödinger Companies (collectively, the materials described in Subsections 2.1(a) and 2.1(b) heretofore shall be referred to as the "Developments"), including without limitation all rights under applicable copyright, patent or trade secret laws, shall reside with Company (or such Schrödinger Company designated by Company) and, where applicable, shall be considered "works made for hire"; provided, however, that such ownership may be subject to the rights, if any, of the United States government and agencies thereof arising from Federal grants to the Company. Employee hereby assigns to the Company (or such Schrödinger Company designated by the Company) all right, title, and interest Employee has or may have in the Developments. Employee agrees that neither Employee nor Employee's successors or assigns shall have any rights in the Developments.

(b) Employee Pre-Existing Work. As used herein, "Employee Pre-Existing Work" is defined as data, information, inventions (whether or not patentable), works of authorship, process, know-how, designs and/or ideas for formulae that were made, created, developed, conceived or reduced to practice by Employee, alone or with others, prior to Employee's commencement of employment with Company. Employee shall retain all of Employee's ownership rights, title and interests, if any, in and to any Employee Pre-Existing Work. Notwithstanding the preceding sentence, if any Development cannot be fully made, used, reproduced or otherwise exploited without infringing any of Employee's rights to any Pre-Existing Work, or if Employee uses or discloses any Employee Pre-Existing Work in the course of Employee's employment with the Company, Employee hereby grants Company a perpetual, irrevocable, worldwide, royalty-free, non-exclusive, sublicensable

right and license to exploit and exercise such Pre-Existing Work (including all intellectual property rights embodied therein). Employee shall not use or disclose any Employee Pre-Existing Work for which Employee is not fully authorized to grant the foregoing license.

2.2 Disclosure; Attorney-in-Fact. During Employee's employment with Company, Employee shall disclose promptly to Company all Developments. Any information required to be disclosed under this Section 2.2 that has not yet been disclosed by Employee to Company at the time of the termination of Employee's employment with Company, without regard to when or for what reason, if any, such employment shall terminate, shall be disclosed to Company in writing, or in such form and manner as Company may reasonably require, within 10 days of the termination of Employee's employment with Company. Employee hereby irrevocably appoints Company (or such Schrödinger Company designated by Company), and Company's duly authorized officers and agents, as Employee's agent and attorney-in-fact to act for and on behalf of Employee in filing all patent applications, applications for copyright protection and registration amendments, renewals, and all other appropriate documents in any way related to the Developments. Employee agrees to assist Company (or such Schrödinger Company designated by Company) in any way such Schrödinger Company deems necessary or appropriate (at such Schrödinger Company's expense) from time to time to apply for, obtain and enforce patents on, and to apply for, obtain, and enforce copyright protection and registration of, the Developments in any and all countries. To that end, Employee shall (at the request of one or more Schrödinger Companies), without limitation, testify in any suit or other proceeding involving any of the Developments, execute all documents which the relevant Schrödinger Company reasonably determines to be necessary or convenient for use in applying for and obtaining patents or copyright protection and registration thereon and enforcing the same, and execute all necessary assignments thereof to the Company (or such Schrödinger Company designated by the Company).

3. Non-Competition; Non-Solicitation.

3.1 Covenant not to Compete During Employment. While employed by Company, Employee will not, directly or indirectly, without the written consent of Company, and whether or not for compensation, either for Employee's own account or as an employee, officer, agent, consultant, director, owner, partner, joint venturer, shareholder, investor, or in any other capacity (except in the capacity of an employee or officer of Company acting for the benefit of the Schrödinger Companies) engage in any activity or business which is the same nature as, or substantively similar to, Company's Business or an activity or business which one or more Schrödinger Company is developing and of which Employee has knowledge.

3.2 Non-Solicitation of Customers, Vendors or Business Partners. While employed by Company and for a period of one (1) year thereafter, Employee shall not, directly or indirectly, solicit or encourage any customer, prospective customer, vendor, strategic partner or business associate of a Schrödinger Company to cease doing business with a Schrödinger Company, reduce its relationship with a Schrödinger Company, or refrain from establishing or expanding a relationship with a Schrödinger Company. For the purposes of this Section, "prospective customer" shall mean any individual, business, firm or organization whom Employee or a Schrödinger Company has contacted during the course of Employee's employment or who has been made known to Employee by a Schrödinger Company for the purpose of soliciting business.

3.3 Non-Solicitation of Employees. While employed by Company and for a period one (1) year thereafter, Employee shall not directly or indirectly, without the prior written consent of Company: (a) solicit or induce any employee of a Schrödinger Company (or any consultant, sales agent, contract researcher, contract programmer, or other independent agent who is

retained by a Schrödinger Company) to cease their employment or engagement by a Schrödinger Company; or (b) hire, retain, employ, or engage for any purpose any employee of a Schrödinger Company.

- 3.4 Conflicts of Interest. While employed by Company, Employee shall not engage in any activity or business which impairs or hinders Employee's job duties and responsibilities for Company. Employee shall report to the Company any possible conflicts of interest on the basis of existing or planned activities of Employee or members of Employee's immediate family. A conflict of interest shall be deemed to arise when Employee or a member of Employee's immediate family: (a) accepts any interest, services, products, commissions, share in profits or other payments, gifts or remuneration from any organization which transacts or is seeking to transact business with one or more Schrödinger Companies or which competes with Company's Business; or (b) serves as director, partner, employee or consultant, or becomes a shareholder of any organization doing business with or seeking to do business with or competitive with one or more Schrödinger Companies.
4. Cooperation. While employed by Company and for a period of four (4) years thereafter, Employee shall cooperate with Company or any of the Schrödinger Companies, as reasonably requested by Company in connection with Company's or any of the Schrödinger Companies' business, including but not limited to, any litigation in which Company or any of the Schrödinger Companies has or may have an interest. Employee shall also cooperate with Company or the Schrödinger Companies in connection with any investigation, review or hearing of any federal, state, or local governmental authority as any such investigation, review or hearing relates to events or occurrences that happened while Employee was employed by Company. Employee's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for governmental inquiries, discovery or trial, acting as a witness on behalf of Company or any of the Schrödinger Companies and treating all communications with Company's or the Schrödinger Companies' counsel as confidential. Employee acknowledges that in any legal action, investigation, hearing or review covered by this Section, Company expects Employee to provide only accurate and truthful information or testimony. Provided that itemized receipts are submitted, Company will reimburse Employee for all reasonable, necessary, and pre-approved out-of-pocket expenses incurred in fulfilling Employee's obligations under this Section.
5. No Disparagement. While employed by Company and at all times thereafter, Employee shall not criticize, ridicule, or make any statement externally that disparages or is derogatory of Company or any of the Schrödinger Companies, or any of their respective officers, directors, agents or employees, or any of their products or services, whether or not such disparaging or derogatory statements are true. The Company will instruct its Chief Executive Officer and its Executive team that they shall not make any false, disparaging, negative, critical, adverse, derogatory or defamatory statements externally concerning Executive. Nothing in this Section shall apply to any statements made by either party: (i) in connection with any action to enforce any written agreements between Executive and the Company; (ii) in connection with any legal process or order (including but not limited to government inquiries or investigations) or as otherwise required by law; or (iii) as permitted by the last paragraph of Section 1.3 above.
6. General Provisions.
- 6.1 Choice of Law; Forum. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts-of-law principles. Any action, suit or other legal proceeding which is commenced to resolve a claim hereunder that is not arbitrable under the Arbitration Agreement shall be commenced only in a court of the State of New York (or, if appropriate, a federal court located within the State of New York), and each party submits to the jurisdiction of the courts, state and federal, located in the State of New York and irrevocably waives any right to a trial by jury.
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- 6.2 No Coercion or Duress. Employee enters into this Agreement with full understanding of the nature and extent of the restrictive covenants contained herein and acknowledges that because of the nature of Company's business, Employee's employment is conditioned on the restrictive covenants contained herein and Employee's acceptance thereof. Employee acknowledges and agrees that Employee is entering into this Agreement voluntarily and of Employee's own free will in order to obtain the benefits of employment, continued employment, and compensation by Company. Employee acknowledges and agrees that Employee has not been coerced or suffered any duress in order to induce Employee to enter into this Agreement.
- 6.3 Relationship of the Parties. The relationship between Company and Employee hereunder is agreed to be solely that of employee and employer. Nothing contained herein and no modification of responsibility or compensation made hereafter shall be construed so as to constitute the parties as partners or joint venturers.
- 6.4 Entire Agreement. This Agreement shall constitute the entire agreement between the Company and Employee relating to the subject matter hereof, and supersedes all prior representations, promises or agreements, either oral or written, with regard to the subject matter hereof. No modification or amendment of this Agreement shall be of any effect unless signed in writing by the Chief Executive Officer ("CEO") or Chief Human Resources Officer the Company (or such other officer of the Company authorized by the CEO) and Employee.
- 6.5 Severability; No Waiver. The holding of any provision of this Agreement to be illegal, invalid, or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect. The failure of Company to enforce any of the provisions of this Agreement for any period of time shall not be construed as a waiver of such provisions or of the right of Company to enforce each and every provision in the future.
- 6.6 Amendments. No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto. This Agreement may not be amended by email.
- 6.7 Successors and Assigns; Assignment. Employee's obligations under this Agreement are personal and shall not be assigned by Employee. This Agreement shall be assignable by Company to: (a) another Schrödinger Company; (b) any corporation, partnership, or other entity that may be organized by Company as a separate business unit in connection with the business activities of Company; or (c) any corporation, partnership, or other entity resulting from the reorganization, merger, or consolidation of Company with any other corporation, partnership, or other entity, or any corporation, partnership, or other entity to or with which all or any portion of Company's business or assets may be sold, exchanged, or transferred. Employee expressly consents to be bound by the provisions of this Agreement for the benefit of any successor or assign of Company without the necessity that this Agreement be re-signed, in which event Company shall be interpreted to include any successor or assign of the Company.
- 6.8 Headings. The section headings appearing in this Agreement are used for convenience of reference only and shall not be considered a part of this Agreement or in any way modify, amend, or affect the meaning of any of its provisions.
- 6.9 Construction. Whenever the context so requires, the use of the masculine gender shall be deemed to include the feminine and vice versa, and the use of the singular shall be deemed
-

to include the plural and vice versa. That this Agreement was drafted by Company shall not be taken into account in interpreting or construing any provision of this Agreement.

- 6.10 Definition of Affiliate. For purposes of this Agreement, the term “Affiliate” shall mean any entity in which a party holds a 50% or greater equity interest or any entity controlling, controlled by or under common control with such party, directly or indirectly by or through one or more intermediaries.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed on its behalf as of the date set forth below.

Employee

Schrödinger, Inc.

By:

Name

By:

Jennifer Daniel
Chief Human Resources Officer

Date: _____

Date: _____

EXHIBIT C**Modifications to Executive Severance Plan for the Executive**

The definitions and other provisions set forth below shall apply to the Executive's participation in the Executive Severance Plan:

1. The definition of "Non-Change in Control Termination" is modified to read:

"Non-Change in Control Termination" shall mean a termination by the Company of the Covered Employee's employment without Cause (not including by reason of death or Disability) or a resignation by the Covered Employee of his employment with the Company for Good Reason prior to or more than twelve (12) months after the closing of a Change in Control."

2. Section 9 of the Executive Severance Plan shall be modified to read:

"9. Equity Awards.

(a) In the event of a Non-Change in Control Termination, all outstanding equity awards granted by the Company to the Covered Employee shall be governed by the terms of the applicable award agreements and the plans under which the awards were granted; provided, however, that solely with respect to the Option (as defined in Section 4(c)(1) of the Employment Agreement between the Covered Employee and the Company dated August 16, 2022 (the "Employment Agreement")) and the PRSU (as defined in Section 4(c)(2) of the Employment Agreement) granted to the Covered Employee in connection with the commencement of his employment with the Company, such Option and PRSU shall vest and become fully exercisable and non-forfeitable as of the date of such termination, and except as provided herein, will otherwise continue to be dictated by the terms of the applicable award agreements and the plan under which the Option and PRSU were granted.

(b) In the event of a Change in Control Termination, all of the Covered Employee's equity awards that vest solely based on the passage of time and that are outstanding and unvested as of such termination, will vest and become fully exercisable or non-forfeitable on the date of such termination, and otherwise will continue to be dictated by the terms of the applicable award agreements and the plans under which the awards were granted; provided, however, that the PRSU (as defined in Section 4(c)(2) of the Employment Agreement) granted to the Covered Employee in connection with the commencement of his employment with the Company shall vest and become fully exercisable and non-forfeitable as of the date of such termination, and except as provided herein, will otherwise continue to be dictated by the terms of the applicable award agreement and the plan under which the PRSU was granted.

The Executive Severance Plan, except as provided herein, shall otherwise remain in full force and effect and apply to the Executive.

EXHIBIT D**Mutual Arbitration Agreement**

This Mutual Arbitration Agreement (“Agreement”) is made by and between Schrödinger, Inc. (“Company”), and you, Geoffrey Porges, on behalf of you, your heirs, administrators, executors, successors, and assigns (together referred to as “Employee” or “you” or “your”).

In consideration of Employee’s employment by Company to perform certain services for Company and/or one or more subsidiaries of and/or other Affiliates (as hereinafter defined) of Company (including without limitation its officers, employees, representatives, or agents) (together referred to as “Schrödinger” or the “Company”), and other good and valuable consideration, the Company and you agree as follows:

1. **Mutual Agreement to Arbitrate.** Except as noted below, you agree to arbitrate any and all claims against Schrödinger that could be brought in a court including, without limitation, all claims arising directly or indirectly out of, or relating to, the employment agreement (“Employment Agreement”) to which this Agreement is attached as Exhibit B, the employment of Employee, the cessation of employment of Employee, or any matter relating to any of the foregoing from your employment or termination (“Covered Disputes”). This Agreement includes, without limitation, claims under federal, state, and/or local statutes, regulations, ordinances, and/or common law. Except as otherwise provided herein, Schrödinger agrees to arbitrate any and all claims against you.

2. **Claims Not Covered by this Agreement.** This Agreement does not cover: (i) claims for workers’ compensation or unemployment insurance benefits; (ii) claims based on equity plans, employee pension plans, or welfare benefit plans *if and only if* those plans contain a complete dispute resolution process; (iii) claims for sexual harassment or abuse, or claims of discrimination that are based on the same facts and circumstances or otherwise related to excluded sexual harassment or abuse claims, if any applicable federal, state, or local law prohibits mandatory arbitration of those claims; and (iv) claims that by federal law are not subject to mandatory binding pre-dispute arbitration. Further, this Agreement does not prohibit the filing of an administrative charge with a federal, state, or local administrative agency such as the National Labor Relations Board or the Equal Employment Opportunity Commission.

3. **Waiver of Class, Collective, and Representative Claims.** The parties agree that all claims must be pursued on an individual basis only. By signing this Agreement, you waive your right to commence, or be a party to, any class, collective, or representative actions or to bring jointly any claim against Schrödinger with any other person. The parties agree that any claim can be pursued, but only on an individual basis. If you bring any claims under the California Labor Code Private Attorneys General Act (“PAGA”) that under then-current law are not subject to mandatory arbitration, you agree to hold all such claims in abeyance and to arbitrate to final resolution any and all of your individual claims before proceeding in court with any PAGA claims. Disputes concerning the interpretation, applicability, enforceability, or formation of this class action waiver shall not be deemed a Covered Dispute and shall instead be brought only in a court of competent jurisdiction. In the event this class action waiver is found unlawful or unenforceable, any class, collective, or other representative based claim must be brought in a court or other forum of competent jurisdiction and may not be brought in arbitration. The arbitrator shall have no power under this Agreement to consolidate claims, to certify a collective or class action, or to issue an order providing relief inconsistent with this Agreement.

4. Waiver of Jury Trial. If any court determines for any reason that this Agreement is not binding, or otherwise allows any litigation in court regarding a claim covered by this Agreement, you and Schrödinger expressly waive any and all rights to a trial by jury.

5. Commitment to Non-Retaliation. Nothing in this Agreement limits your right to challenge its enforceability. While the Company will assert that you have agreed to pursue all claims individually in the arbitral forum and may ask a court to compel arbitration of each individual's claims, your decision to challenge the Agreement will not result in threats, discipline, or discharge.

6. Threshold Issues. Any dispute concerning the scope and enforceability of this Agreement shall be resolved exclusively in a court of competent jurisdiction. All issues between the parties that this Agreement does not specifically permit to be presented to a court are for the arbitrator to resolve.

7. Resort to Court for Early Injunctive Relief. The parties may seek a temporary restraining order, a preliminary injunction, or other similar relief in court when the nature of the rights asserted requires immediate action and the arbitrator is not yet in a position to afford appropriate relief. Such limited resort to court will not constitute a waiver of the right to arbitrate a claim, and the remainder of the dispute will proceed in arbitration.

8. Severability; No Waiver. If the prohibition against class, collective, or representative actions is held to be invalid, then any such action shall proceed in court. If a court or an arbitrator finds any other provision of this Agreement unenforceable, a court or arbitrator shall interpret or modify this Agreement, to the extent necessary, for it to be enforceable to the maximum extent possible. This Agreement shall be self-amending; meaning, if by law a provision is deemed unlawful or unenforceable, that provision and the Arbitration Agreement automatically, immediately, and retroactively shall be amended, modified, and/or altered to be enforceable to the maximum extent possible. The failure of the Company to enforce any of the provisions of this Agreement for any period of time shall not be construed as a waiver of such provisions or of the right of the Company to enforce each and every provision in the future.

9. The Arbitration Process.

(a) The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") in effect at the time any party submits any claims covered by this Agreement. The arbitrator must be a member of the bar in good standing in the state in which the dispute arose. If AAA declines the matter or if the parties agree otherwise, the parties shall use the employment arbitration forum and rules of JAMS.

(b) Any authorized decision or award of the arbitrator shall be final and binding upon the parties. The arbitrator shall have the power to award any type of legal or equitable relief available in a court of competent jurisdiction including, but not limited to, attorney's fees, to the extent such damages are available under law.

(c) All orders of the arbitrator (except evidentiary rulings at the arbitration) shall be in writing and subject to review pursuant to the Federal Arbitration Act.

(d) Any claim for arbitration will be timely only if brought within the time in which an administrative charge or complaint could have been filed if the claim is one that could be filed with an administrative agency. Schrödinger agrees not to require you to proceed before an administrative agency

before commencing arbitration. If, however, you elect to proceed before an administrative agency, then your claim for arbitration will be timely if brought within the time allowed by the applicable statute of limitations for filing a lawsuit after proceeding before the agency. Any claim for arbitration that could not have been filed with an administrative agency must be filed within the time set by the applicable statute of limitations.

(e) The arbitrator shall agree to treat as confidential evidence and other information presented by the parties to the same extent as Confidential Information under Exhibit A to the Employment Agreement must be held confidential by Employee.

(f) The arbitrator shall have no authority to amend or modify any of the terms of the Employment Agreement.

(g) The arbitrator shall have thirty (30) business days from the closing statements or submission of post-hearing briefs by the parties to render a decision

(h) Employee shall have available the same statutory remedies as would be available in a judicial forum.

(i) This Agreement expressly authorizes any party to submit a motion for summary judgment. If a summary judgment motion is made, the arbitrator must render a written and detailed opinion on that motion within forty-five (45) business days of submission of all supporting and opposition papers.

(j) Each party shall be responsible for his or her own attorney's fees in the arbitration, except as allowed by applicable law.

(k) The terms of this Agreement control over any contrary provisions in the AAA or JAMS arbitration rules.

10. No Modification of At-Will Status. This Agreement does not create a contract of employment for any duration of time. Employment with Schrödinger is voluntarily entered into, and you are free to resign at any time. Similarly, Schrödinger may terminate the employment relationship with you at any time for any reason, with or without prior notice.

11. Governing Law. This Agreement is governed by the Federal Arbitration Act. The terms and conditions of your employment shall be governed by and shall be interpreted in accordance with federal law and the laws of the state in which you were employed by Schrödinger at the time the claim(s) presented in the arbitration arose.

12. No Coercion or Duress. Employee enters into this Agreement with full understanding of the nature and extent of the agreement to arbitrate contained herein and agrees that Employee is entering into this Agreement voluntarily and of Employee's own free will. You acknowledge and agree that you have not been coerced or suffered any duress in order to induce you to enter into this Agreement.

13. Entire Agreement. This Agreement shall constitute the entire agreement between the Company and Employee relating to the subject matter hereof, and supersedes all prior representations, promises or agreements, either oral or written, with regard to the subject matter hereof. No modification or amendment

of this Agreement shall be of any effect unless signed in writing by the Chief Executive Officer or Chief Human Resources Officer of the Company.

14. Amendments. No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto. This Agreement may not be amended by email.

15. Successors and Assigns; Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors, and assigns.

16. Headings. The section headings appearing in this Agreement are used for convenience of reference only and shall not be considered a part of this Agreement or in any way modify, amend, or affect the meaning of any of its provisions.

17. Construction. Whenever the context so requires, the use of the masculine gender shall be deemed to include the feminine and vice versa, and the use of the singular shall be deemed to include the plural and vice versa. That this Agreement was drafted by the Company shall not be taken into account in interpreting or construing any provision of this Agreement.

18. Definition of Affiliate. For purposes of this Agreement, the term “Affiliate” shall mean any entity in which a party holds a 50% or greater equity interest or any entity controlling, controlled by or under common control with such party, directly or indirectly by or through one or more intermediaries.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed on its behalf as of the date set forth below.

Employee

Schrödinger, Inc.

By:

Name

By:

Jennifer Daniel
Chief Human Resources Officer

Date: _____

Date: _____

Schrödinger, Inc.**Amended and Restated Executive Severance and Change in Control Benefits Plan, as amended August 16, 2022**

- 1. Establishment of Plan.** Schrödinger, Inc., a Delaware corporation, hereby establishes an unfunded severance benefits plan (the “Plan”) that is intended to be a welfare benefit plan within the meaning of Section 3(1) of ERISA. The Plan is in effect for Covered Employees who experience a Covered Termination occurring after the Effective Date and before the termination of this Plan.
- 2. Purpose.** The purpose of the Plan is to establish the conditions under which Covered Employees will receive the severance benefits described herein if employment with the Company (or its successor in a Change in Control) terminates under the circumstances specified herein. The severance benefits paid under the Plan are intended to assist Covered Employees in making a transition to new employment and are not intended to be a reward for prior service with the Company.
- 3. Definitions.** For purposes of this Plan,
 - (a) “Base Salary” shall mean, for any Covered Employee, such Covered Employee’s base rate of pay as in effect immediately before a Covered Termination (or prior to the Change in Control, if greater) and exclusive of any bonuses, overtime pay, shift differentials, “adders,” any other form of premium pay, or other forms of compensation.
 - (b) “Benefits Continuation” shall have the meaning set forth in Section 8(a) hereof.
 - (c) “Board” shall mean the Board of Directors of Schrödinger, Inc.
 - (d) “Bonus” shall mean, for any Covered Employee, the target annual bonus established by the compensation committee of the Board that the employee was eligible to earn for the year in which the Covered Termination occurs (or for the year in which the Change in Control occurs, if greater), without regard to whether the performance goals applicable to such bonus had been established or satisfied at the date of termination of employment.
 - (e) “Cause” shall mean (i) a material breach of any material term of any applicable offer letter or employment agreement or any employee proprietary information and inventions, nondisclosure, non-competition, non-solicitation (or similar) agreement with the Company, (ii) a plea of guilty or nolo contendere to, or conviction of, the commission of a felony offense or a crime of dishonesty, (iii) repeated unexplained or unjustified absences, refusals or failures to carry out the lawful directions of the Board or the Chief Executive Officer, or the employee’s supervisor, or (iv) willful misconduct that results or is reasonably likely to result in material harm to the Company; and, solely in

the case of (i), (iii) and (iv), if determined by the Board in good faith to be reasonably susceptible of cure, the employee has failed to cure such breach or conduct within thirty (30) days after the employee's receipt of written notice from the Company stating in reasonable specificity the nature of such breach or conduct.

(f) "Change in Control" shall mean the occurrence of any of the following events, provided that such event or occurrence constitutes a change in the ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, as defined in Treasury Regulation §§ 1.409A-3(i)(5) (v), (vi) and (vii):

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act") (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 under the Exchange Act) fifty percent (50%) or more of either (x) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company or (2) any acquisition by any entity pursuant to a Business Combination (as defined below) which complies with clauses (x) and (y) of subsection (iii) of this definition; or

(ii) a change in the composition of the Board that results in the Continuing Directors (as defined below) no longer constituting a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of the Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company, or a sale or

other disposition of all or substantially all of the assets of the Company (a “Business Combination”), unless, immediately following such Business Combination, each of the following two (2) conditions is satisfied: (x) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company’s assets either directly or through one (1) or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the “Acquiring Corporation”) in substantially the same proportions as their ownership of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, immediately prior to such Business Combination and (y) no Person (excluding any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, fifty percent (50%) or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(iv) the liquidation or dissolution of the Company.

(g) “Change in Control Termination” shall mean a termination by the Company of the Covered Employee’s employment without Cause (not including by reason of death or Disability) or a resignation by the Covered Employee of his or her employment with the Company for Good Reason, in either case within the one (1) year period following the closing of a Change in Control.

(h) “COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act.

(i) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(j) “Company” shall mean Schrödinger, Inc. (or, following a Change in Control, any successor thereto) together with the wholly-owned subsidiaries of Schrödinger, Inc., provided, that, for purposes of the definition of Change in Control in Section 3(f) hereof, Company shall mean solely Schrödinger, Inc.

(k) “Covered Employees” shall mean all Regular Full-Time Employees (both exempt and non-exempt) who are Executives who experience a Covered Termination and who are not designated as ineligible to receive severance benefits under the Plan as provided in Section 5 hereof. For the avoidance of doubt, neither Temporary Employees nor Part-Time Employees are eligible for severance benefits under the Plan. An employee’s full-time, part-time or temporary status for the purpose of this Plan shall be determined in good faith by the Plan Administrator upon review of the employee’s status immediately before termination. Any person who is classified by the Company as an independent contractor or third party employee is not eligible for severance benefits even if such classification is modified retroactively.

(l) “Covered Termination” shall mean a termination designated by the Plan Administrator as (i) a Change in Control Termination or (ii) a Non-Change in Control Termination. The Plan Administrator shall determine whether a particular termination is a Change in Control Termination or a Non-Change in Control Termination, and may determine, based on the facts and circumstances, that a termination does not qualify as a Covered Termination.

(m) “Disability” shall mean that the employee, due to a physical or mental disability, for a period of ninety (90) consecutive days, or one hundred and eighty (180) days in the aggregate whether or not consecutive, during any three hundred and sixty (360) day period, is unable to perform the services required by the employee’s position at the Company. A determination of Disability shall be made by a physician selected by the Company.

(n) “Effective Date” shall mean August 16, 2022.

(o) “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

(p) “Executive” shall mean any executive of the Company who (i) is subject to Section 16 of the Exchange Act of 1934, as amended, or (ii) has the title of Executive Vice President.

(q) “Good Reason” is defined as: (i) a material diminution in the employee’s base compensation; (ii) a material diminution in the employee’s authority, duties, or responsibilities; (iii) a material change in the geographic location at which the employee must perform services to the Company (it being understood that any change of fifty (50) or more miles would be material); or (iv) any other action or inaction that constitutes a material breach by the Company of any agreement under which the employee provides services; provided, however, that, in any case, the employee has not consented to the condition which would otherwise give rise to a Good Reason. In order to establish a “Good Reason” for terminating employment, an employee must provide written notice to the Company of the existence of the condition giving rise to the Good Reason, which notice must be provided within ninety (90) days of the initial existence of such condition, the Company must fail to cure the condition within thirty (30) days thereafter, and an employee’s termination of employment must occur no later than one (1) year following

the initial existence of the condition giving rise to Good Reason.

(r) “Non-Change in Control Termination” shall mean a termination by the Company of the Covered Employee’s employment without Cause (not including by reason of death or Disability) prior to or more than twelve (12) months after the closing of a Change in Control.

(s) “Part-Time Employees” shall mean employees who are not Regular Full-Time Employees or Temporary Employees and are treated as such by the Company.

(t) “Participants” shall mean Covered Employees.

(u) “Plan Administrator” shall have the meaning set forth in Section 15 hereof.

(v) “Release” shall have the meaning set forth in Section 6 hereof.

(w) “Release Effective Date” shall have the meaning set forth in Section 13(c)(1) hereof.

(x) “Regular Full-Time Employees” shall mean employees, other than Temporary Employees, normally scheduled to work at least thirty (30) hours a week unless the Company’s local practices, as from time to time in force, whether or not in writing, establish a different hours threshold for regular full-time employees.

(y) “Temporary Employees” are employees treated as such by the Company, whether or not in writing.

4. Coverage. Subject to satisfaction of the eligibility and other requirements set forth in Sections 5 and 6 of this Plan, a Covered Employee will be entitled to receive severance benefits under the Plan if such employee experiences a Covered Termination.

5. Eligibility for Severance Benefits. The following employees will *not* be eligible for severance benefits, except to the extent specifically determined in good faith otherwise by the Plan Administrator: (a) an employee who is terminated for Cause or by reason of death or Disability; (b) an employee who voluntarily retires or otherwise voluntarily terminates his or her employment, except, in the case of a Change in Control Termination, for Good Reason; and (c) an employee who is employed for a specific period of time in accordance with the terms of a written offer letter or employment agreement.

6. Release; Timing of Severance Benefits. Receipt of any severance payments or benefits under the Plan requires that the Covered Employee: (a) comply with any applicable proprietary information and inventions, nondisclosure, non-competition, non-solicitation (or similar) obligations to the Company, and other continuing obligations to the Company; and (b) execute and deliver a separation and release of claims agreement in the form to be provided by the Company on or around the date of the Covered Employee’s termination from employment, which shall include, for the avoidance of doubt, (i) a release and discharge of the Company and

its affiliates from and on account of any and all claims that relate to or arise out of the employment relationship between the Company and the Covered Employee, (ii) non-disparagement and cooperation obligations, and (iii) twelve-month post-employment non-competition and non-solicitation obligations (the “Release”) which Release must become binding within sixty (60) days following the Covered Employee’s termination of employment. The severance payments described herein will be paid in accordance with the terms of the Plan and otherwise on the Company’s regularly scheduled payroll dates in effect from time to time and the Benefits Continuation will be paid in the amount and at the time premium payments are made by other participants in the Company’s health benefit plans with the same coverage. The payments shall be made or commence on the first payroll date after the Release Effective Date.

7. Cash Severance.

(a) **Non-Change in Control Termination.** A Covered Employee who experiences a Non-Change in Control Termination shall be entitled to receive continuation of such employee’s monthly Base Salary for the Severance Period indicated in the table below.

Participant	Severance Period
Chief Executive Officer	Twelve (12) months
Executives other than Chief Executive Officer	Nine (9) months

(b) **Change in Control Termination.** A Covered Employee who experiences a Change in Control Termination shall be entitled to receive:

- (i) a single lump sum payment in an amount equal to the product of such employee’s annual Base Salary and the multiple indicated in the table below, payable on the Release Effective Date; and
- (ii) a single lump sum payment in an amount equal to the product of such employee’s Bonus and the multiple indicated in the table below, payable on the Release Effective Date.

Participant	Multiple
Chief Executive Officer	Base: 1.5 Bonus: 1.5
Executives other than Chief Executive Officer	Base: 1.0 Bonus: 1.0

8. Other Severance Benefits. In the event of a Covered Termination, a Covered Employee entitled to severance benefits under this Plan shall be entitled to the following:

(a) Company contributions to the cost of COBRA coverage (for U.S. based Covered Employees) or substantially similar coverage (for non-U.S. based Covered Employees) on behalf of the Covered Employee and any applicable dependents for twelve (12) months (eighteen (18) months in the case of a Change in Control Termination of the Chief Executive Officer), in each case unless such period is shortened in accordance with the terms of this Plan, if the Covered Employee elects COBRA coverage or substantially similar coverage, as applicable, and only so long as such coverage continues in force. Such costs shall be determined on the same basis as the Company’s contribution to Company-provided health and dental insurance coverage in effect for an active employee with the same coverage elections; provided that if the Covered Employee commences new employment and is eligible for new group health and dental plans or benefits, the Company’s continued contributions toward health and dental coverage shall end when the Covered Employee is enrolled under such new group health plans or benefits (“Benefits Continuation”).

(b) Any unpaid annual bonus in respect to any completed bonus period which has ended prior to the date of the Participant’s Covered Termination and which the Board deems granted to the Participant in its discretion pursuant to the Company’s annual bonus program, payable at the same time as annual bonuses are paid to other employees of the Company or, if later, upon the Release Effective Date.

9. Equity Awards.

(a) In the event of a Non-Change in Control Termination, all outstanding equity awards granted by the Company to the Covered Employee shall be governed by the terms of the applicable award agreements and the plans under which the awards were granted.

(b) In the event of a Change in Control Termination, all of a Covered Employee's equity awards that vest solely based on the passage of time and that are outstanding and unvested as of such termination, will vest and become fully exercisable or non-forfeitable on the date of such termination, and otherwise will continue to be dictated by the terms of the applicable award agreements and the plans under which the awards were granted.

10. Recoupment. If a Covered Employee fails to comply with the terms of the Plan, including the provisions of Section 6 above, the Company may require payment to the Company of any benefits described in Sections 7 and 8 above that the Covered Employee has already received to the extent permitted by applicable law and with the “value” determined in the sole and good faith discretion of the Plan Administrator. Payment is due in cash or by check within thirty (30) days, or such earlier date as may be required by law or by any clawback policy that the Company adopts, after the Company provides notice to a Covered Employee that it is enforcing this provision. Any benefits described in Sections 7 and 8 above not yet received by such Covered Employee will be immediately forfeited.

11. Death; Disability. If a Participant dies or becomes Disabled after the date of his or her Covered Termination but before all payments or benefits to which such Participant is entitled pursuant to the Plan have been paid or provided, payments will be made to any beneficiary or legal representative designated by the Participant prior to or in connection with such Participant’s Covered Termination or, if no such beneficiary or legal representative has been designated, to the Participant’s estate. For the avoidance of doubt, if a Participant dies or is permanently Disabled during the Benefits Continuation period provided for the Participant in Section 8(a), Benefits Continuation will continue for the Participant’s applicable dependents for the remainder of the Benefits Continuation period provided for such Participant in Section 8(a).

12. Withholding. The Company may withhold from any payment or benefit under the Plan: (a) any federal, state, or local income or payroll taxes required by law to be withheld with respect to such payment; (b) such sum as the Company may reasonably estimate is necessary to cover any taxes for which the Company may be liable and which may be assessed with regard to such payment; and (c) such other amounts as appropriately may be withheld under the Company’s payroll policies and procedures from time to time in effect.

13. Section 409A. It is expected that the payments and benefits provided under this Plan will be exempt from or compliant with Section 409A of the Code, and the guidance issued thereunder (“Section 409A”). The Plan shall be interpreted consistent with this intent to the maximum extent permitted and generally, with the provisions of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits upon or following a termination of employment (which amounts or benefits constitute nonqualified deferred compensation within the meaning of Section 409A) unless such termination is also a “separation from service” within the meaning of Section 409A and, for purposes of any such provision of this Plan, references to a “termination,” “termination of employment” or like terms shall mean “separation from service”. Neither the Participant nor the Company shall have the right to accelerate or defer the delivery of any payment or benefit except to the extent specifically permitted or required by Section 409A.

To the extent the severance payments and benefits under this Plan are subject to Section 409A, the following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to Participants under this Plan:

(a) Each installment of the payments and benefits provided under this Plan will be treated as a separate “payment” for purposes of Section 409A. Whenever a

payment under this Plan specifies a payment period with reference to a number of days (*e.g.*, “payment shall be made within ten (10) days following the date of termination”), the actual date of payment within the specified period shall be in the Company’s sole discretion. Notwithstanding any other provision of this Plan to the contrary, in no event shall any payment under this Plan that constitutes “non-qualified deferred compensation” for purposes of Section 409A be subject to transfer, offset, counterclaim or recoupment by any other amount unless otherwise permitted by Section 409A.

(b) Notwithstanding any other payment provision herein to the contrary, if the Company or appropriately-related affiliates become publicly-traded and a Covered Employee is deemed on the date of termination to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B) with respect to such entity, then each of the following shall apply:

- (i) With regard to any payment that is considered “non-qualified deferred compensation” under Section 409A payable on account of a “separation from service,” such payment shall be made on the date which is the earlier of (A) the day following the expiration of the six (6) month period measured from the date of such “separation from service” of the Covered Employee, and (B) the date of the Covered Employee’s death (the “Delay Period”) to the extent required under Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this provision (whether otherwise payable in a single sum or in installments in the absence of such delay) shall be paid to or for the Covered Employee in a lump sum, and all remaining payments due under this Plan shall be paid or provided for in accordance with the normal payment dates specified herein; and
- (ii) To the extent that any benefits to be provided during the Delay Period are considered “non-qualified deferred compensation” under Section 409A payable on account of a “separation from service,” and such benefits are not otherwise exempt from Section 409A, the Covered Employee shall pay the cost of such benefits during the Delay Period, and the Company shall reimburse the Covered Employee, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to the Covered Employee, the Company’s share of the cost of such benefits upon expiration of the Delay Period. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified in this Plan.

(c) To the extent that severance benefits pursuant to this Plan are conditioned upon a Release, the Covered Employee shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of the termination of the Covered Employee’s employment with the Company. If the Release is no longer subject to

revocation as provided in the preceding sentence, then the following shall apply:

- (i) To the extent any severance benefits to be provided are not “non-qualified deferred compensation” for purposes of Section 409A, then such benefits shall commence upon the first scheduled payment date immediately after the date the Release is executed and no longer subject to revocation (the “Release Effective Date”). The first such cash payment shall include all amounts that otherwise would have been due prior thereto under the terms of this Agreement applied as though such payments commenced immediately upon the termination of Covered Employee’s employment with the Company, and any payments made after the Release Effective Date shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following the termination of Covered Employee’s employment with the Company.
- (ii) To the extent any such severance benefits to be provided are “non-qualified deferred compensation” for purposes of Section 409A, then the Release must become irrevocable within sixty (60) days of the date of termination and benefits shall be made or commence upon the date provided in Section 6, provided that if the sixtieth day following the termination of Executive’s employment with the Company falls in the calendar year following the calendar year containing the date of termination, the benefits will be made no earlier than the first business day of that following calendar year. The first such cash payment shall include all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon the termination of Executive’s employment with the Company, and any payments made after the first such payment shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following the termination of Executive’s employment with the Company.
- (d) The Company makes no representations or warranties and shall have no liability to any Participant or any other person, other than with respect to payments made by the Company in violation of the provisions of this Plan, if any provisions of or payments under this Plan are determined to constitute deferred compensation subject to Section 409A of the Code but not to satisfy the conditions of that section.

14. Section 280G; Modified Economic Cutback

- (a) Notwithstanding any other provision of the Plan, except as set forth in Section 14(b), in the event that the Company undergoes a “Change in Ownership or Control” (as defined below), the Company shall not be obligated to provide to a Participant any portion of any “Contingent Compensation Payments” (as defined below) that the Participant would otherwise be entitled to receive to the extent necessary to eliminate any

“excess parachute payments” (as defined in Code Section 280G(b)(1)) for such Participant. For purposes of this Section 14, the Contingent Compensation Payments so eliminated shall be referred to as the “Eliminated Payments” and the aggregate amount (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-30 or any successor provision) of the Contingent Compensation Payments so eliminated shall be referred to as the “Eliminated Amount.”

(b) Notwithstanding the provisions of Section 14(a), no such reduction in Contingent Compensation Payments shall be made if (i) the Eliminated Amount (computed without regard to this sentence) exceeds (ii) 100% of the aggregate present value (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-31 and Q/A-32 or any successor provisions) of the amount of any additional taxes that would be incurred by the Participant if the Eliminated Payments (determined without regard to this sentence) were paid to the Participant (including, state and federal income taxes on the Eliminated Payments, the excise tax imposed by Section 4999 of the Code payable with respect to all of the Contingent Compensation Payments in excess of the Participant’s “base amount” (as defined in Section 280G(b)(3) of the Code), and any withholding taxes). The override of such reduction in Contingent Compensation Payments pursuant to this Section 14(b) shall be referred to as a “Section 14(b) Override.” For purposes of this paragraph, if any federal or state income taxes would be attributable to the receipt of any Eliminated Payment, the amount of such taxes shall be computed by multiplying the amount of the Eliminated Payment by the maximum combined federal and state income tax rate provided by law.

(c) For purposes of this Section 14 the following terms shall have the following respective meanings:

- (I) “Change in Ownership or Control” shall mean a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 280G(b)(2) of the Code.
- (II) “Contingent Compensation Payment” shall mean any payment (or benefit) in the nature of compensation that is made or made available (under this Plan or otherwise) to a “disqualified individual” (as defined in Section 280G(c) of the Code) and that is contingent (within the meaning of Section 280G(b)(2)(A)(i) of the Code) on a Change in Ownership or Control of the Company.

(d) Any payments or other benefits otherwise due to a Participant following a Change in Ownership or Control that could reasonably be characterized (as determined by the Company) as Contingent Compensation Payments (the “Potential Payments”) shall not be made until the dates provided for in this Section 14(d). Within 30 days after each date on which the Participant first becomes entitled to receive (whether or not then due) a Contingent Compensation Payment relating to such Change in Ownership or Control, the Company shall determine and notify the Participant (with reasonable detail regarding the basis for its determinations) (i) which Potential Payments constitute Contingent

Compensation Payments, (ii) the Eliminated Amount and (iii) whether the Section 14(b) Override is applicable. Within 30 days after delivery of such notice to the Participant, the Participant shall deliver a response to the Company (the “Executive Response”) stating either (A) that the Participant agrees with the Company’s determination pursuant to the preceding sentence, or (B) that the Participant disagrees with such determination, in which case the Participant shall set forth (i) which Potential Payments should be characterized as Contingent Compensation Payments, (ii) the Eliminated Amount, and (iii) whether the Section 14(b) Override is applicable. In the event that the Participant fails to deliver an Executive Response on or before the required date, the Company’s initial determination shall be final. If and to the extent that any Contingent Compensation Payments are required to be treated as Eliminated Payments pursuant to this Section 14, then the payments shall be reduced or eliminated, as determined by the Company, in the following order: (i) any cash payments, (ii) any taxable benefits, (iii) any nontaxable benefits, and (iv) any vesting of equity awards in each case in reverse order beginning with payments or benefits that are to be paid the farthest in time from the date that triggers the applicability of the excise tax, to the extent necessary to maximize the Eliminated Payments. If the Participant states in the Executive Response that the Participant agrees with the Company’s determination, the Company shall make the Potential Payments to the Participant within three business days following delivery to the Company of the Executive Response (except for any Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). If the Participant states in the Executive Response that the Participant disagrees with the Company’s determination, then, for a period of 60 days following delivery of the Executive Response, the Participant and the Company shall use good faith efforts to resolve such dispute. If such dispute is not resolved within such 60-day period, such dispute shall be settled exclusively by arbitration in the State of New York, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. The Company shall, within three business days following delivery to the Company of the Executive Response, make to the Participant those Potential Payments as to which there is no dispute between the Company and the Participant regarding whether they should be made (except for any such Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). The balance of the Potential Payments shall be made within three business days following the resolution of such dispute. Subject to the limitations contained in Sections 14(a) and 14(b) hereof, the amount of any payments to be made to the Participant following the resolution of such dispute shall be increased by the amount of the accrued interest thereon computed at the prime rate announced from time to time by The Wall Street Journal, compounded monthly from the date that such payments originally were due.

(e) The provisions of this Section 14 are intended to apply to any and all payments or benefits available to the Participant under this Plan or any other agreement or plan of the Company under which the Participant may receive Contingent Compensation Payments.

15. Plan Administration.

(a) **Plan Administrator.** The Plan Administrator shall be the Board or a committee thereof designated by the Board (the “Committee”); provided, however, that the Board or such Committee may in its sole discretion appoint a new Plan Administrator to administer the Plan following a Change in Control. The Plan Administrator shall also serve as the Named Fiduciary of the Plan under ERISA. The Plan Administrator shall be the “administrator” within the meaning of Section 3(16) of ERISA and shall have all the responsibilities and duties contained therein.

The Plan Administrator can be contacted at the following address:

1540 Broadway, 24th Floor
New York, NY 10036

(b) **Decisions, Powers and Duties.** The general administration of the Plan and the responsibility for carrying out its provisions shall be vested in the Plan Administrator. The Plan Administrator shall have such powers and authority as are necessary to discharge such duties and responsibilities which also include, but are not limited to, interpretation and construction of the Plan, the determination of all questions of fact, including, without limit, eligibility, participation and benefits, the resolution of any ambiguities and all other related or incidental matters, and such duties and powers of the plan administration which are not assumed from time to time by any other appropriate entity, individual or institution. The Plan Administrator may adopt rules and regulations of uniform applicability in its interpretation and implementation of the Plan.

The Plan Administrator shall discharge its duties and responsibilities and exercise its powers and authority in its sole discretion and in accordance with the terms of the controlling legal documents and applicable law, and its actions and decisions that are not arbitrary and capricious shall be binding on any employee, and employee's spouse or other dependent or beneficiary and any other interested parties whether or not in being or under a disability.

16. **Claims, Inquiries and Appeals.**

(a) **Applications for Benefits and Inquiries.** Any application for benefits under or inquiries about the Plan or inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing, as follows:

1540 Broadway, 24th Floor
New York, NY 10036

(b) **Denial of Claims.** In the event that any application for benefits is denied in whole or in part, the Plan Administrator must notify the applicant, in writing, of the denial of the application, and of the applicant's right to review the denial. The written notice of denial will be set forth in a manner designed to be understood by the applicant, and will include specific reasons for the denial, specific references to the Plan provision upon which the denial is based, a description of any information or material that the Plan Administrator needs to complete the review and an explanation of the Plan's review procedure, including a statement of the

claimant's right to bring a civil action under ERISA.

This written notice will be given to the applicant within 15 days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional 15 days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial 15-day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render his or her decision on the application. If written notice of denial of the application for benefits is not furnished within the specified time, the application shall be deemed to be denied. The applicant will then be permitted to appeal the denial in accordance with the review procedure described below.

- (c) **Request for a Review.** Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within 60 days after the application is denied (or deemed denied). The Plan Administrator will give the applicant (or his or her representative) an opportunity to review pertinent documents, free of charge, in preparing a request for a review and submit written comments, documents, records and other information relating to the claim. A request for a review shall be in writing and shall be addressed to:

1540 Broadway, 24th Floor

New York, NY 10036

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The Plan Administrator may require the applicant to submit additional facts, documents or other material as he or she may find necessary or appropriate in making his or her review. All comments or other documents submitted by the claimant shall be taken into account, without regard to whether such information was submitted or considered in the initial benefit determination.

- (d) **Decision on Review.** The Plan Administrator will act on each request for review within 15 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 15 days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial 15-day period. The Plan Administrator will give prompt, written notice of his or her decision to the applicant. In the event that the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will outline, in a manner calculated to be understood by the applicant, the specific reason or reasons for the adverse determination, the specific Plan provisions upon which the decision is based, a statement that the claimant is entitled to receive free of charge the documents and records relevant to the claim, and a statement of the claimant's right to bring suit under ERISA.
- (e) **Rules and Procedures.** The Plan Administrator may establish rules and procedures, consistent with the Plan and with ERISA, as necessary and appropriate in carrying

out his or her responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial (or deemed denial) of benefits to do so at the applicant's own expense, except to the extent required by ERISA.

(f) **Exhaustion of Remedies; Statute of Limitations.** No legal action for benefits under the Plan may be brought until the claimant (i) has submitted a written application for benefits in accordance with the procedures described by Section 16(a) above, (ii) has been notified by the Plan Administrator that the application is denied (or the application is deemed denied due to the Plan Administrator's failure to act on it within the established time period), (iii) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 16(c) above and (iv) has been notified in writing that the Plan Administrator has denied the appeal (or the appeal is deemed to be denied due to the Plan Administrator's failure to take any action on the claim within the time prescribed by Section 16(d) above). Any legal action must be initiated within the earlier of (i) 180 days after a claimant's receipt of an adverse decision on review or (ii) two years after the Participant's termination of employment.

(g) **Indemnification.** To the extent permitted by law, the Plan Administrator and all employees, officers, directors, agents and representatives of the Company shall be indemnified by the Company and held harmless against any claims and all associated expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, whether as a member of the Committee or otherwise, except to the extent that such claims arise from gross negligence, willful neglect, or willful misconduct. The Company shall advance all expenses for which a party is indemnified under this Section 16 to such indemnified party or shall arrange for direct payment of any such expenses by the Company.

17. Plan Not an Employment Contract. The Plan is not a contract between the Company and any employee, nor is it a condition of employment of any employee. Nothing contained in the Plan gives, or is intended to give, any employee the right to be retained in the service of the Company, or to interfere with the right of the Company to discharge or terminate the employment of any employee at any time and for any reason. No employee shall have the right or claim to benefits beyond those expressly provided in this Plan, if any. All rights and claims are limited as set forth in the Plan.

18. Severability. In case any one (1) or more of the provisions of this Plan (or part thereof) shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions hereof, and this Plan shall be construed as if such invalid, illegal or unenforceable provisions (or part thereof) never had been contained herein.

19. Non-Assignability. No right or interest of any Covered Employee in the Plan shall be assignable or transferable in whole or in part either directly or by operation of law or otherwise, including, but not limited to, execution, levy, garnishment, attachment, pledge or bankruptcy.

20. Integration With Other Pay or Benefits Requirements. The severance payments and benefits provided for in the Plan are the maximum benefits that the Company will pay to Covered Employees on a Covered Termination, except to the extent otherwise specifically provided in a separate agreement. To the extent that the Company owes any amounts in the nature of severance benefits under any other program, policy or plan of the Company that is not otherwise superseded by this Plan, or to the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company to give advance notice or make a payment of any kind to an employee because of that employee's involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, or similar event, the benefits provided under this Plan or the other arrangement shall either be reduced or eliminated to avoid any duplication of payment. The Company intends for the benefits provided under this Plan to partially or fully satisfy any and all statutory obligations that may arise out of an employee's involuntary termination for the foregoing reasons and the Company shall so construe and implement the terms of the Plan.

21. Amendment or Termination. The Board may amend, modify, or terminate the Plan at any time in its sole discretion; provided, however, that (a) any such amendment, modification or termination made prior to a Change in Control that adversely affects the rights of any Covered Employee shall be unanimously approved by the Company's Board of Directors, including any independent director(s) and, in the case of Covered Employees other than the Chief Executive Officer, the Chief Executive Officer, (b) no such amendment, modification or termination may affect the rights of a Covered Employee then receiving payments or benefits under the Plan without the consent of such person, and (c) no such amendment, modification or termination made after a Change in Control shall be effective for one (1) year.

22. Governing Law. The Plan and the rights of all persons under the Plan shall be construed in accordance with and under applicable provisions of ERISA, and the regulations thereunder, and the laws of the State of Delaware (without regard to conflict of laws provisions) to the extent not preempted by federal law.