
**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): May 31, 2019

Chiasma, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-37500
(Commission
File Number)

76-0722250
(I.R.S. Employer
Identification No.)

460 Totten Pond Road, Suite 250
Waltham, MA
(Address of principal executive offices)

02451
(Zip Code)

Registrant's telephone number, including area code (617) 928-5300

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, \$0.01 par value	CHMA	NASDAQ Global Select Market

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

Emerging growth company

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

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

Management Transition

On May 31, 2019, the Board of Directors (the “Board”) of Chiasma, Inc. (the “Company”) appointed Raj Kannan as Chief Executive Officer of the Company and member of the Board, effective as of his start date, which is expected on June 17, 2019 (the “Effective Date”). As of the Effective Date, Mark J. Fitzpatrick, the Company’s current Chief Executive Officer, will continue to serve as the Company’s President and principal financial officer and will resign from the Board.

Raj Kannan

Mr. Kannan, age 55, joins the Company from Kiniksa Pharmaceuticals, Ltd. (“Kiniksa”) (NASDAQ: KNSA) where he has worked since July 2018 as Chief Commercial Officer. In that role, he was responsible for building and leading the company’s commercial operations, including sales, marketing, business analytics, and market access functions. Prior to Kiniksa, Mr. Kannan served as the Global Head of the Neurology and Immunology (“N&I”) business franchise at Merck KGaA, where he was responsible for \$2 billion in annual revenues. In that role, he successfully led the launch of Mavenclad, an oral small molecule in Multiple Sclerosis. He also chaired the N&I franchise leadership team that was responsible for advancing the immunology pipeline assets, prioritizing the portfolio mix, and the resource allocation across development assets. Prior to Merck KGaA, Mr. Kannan spent ten years at Boehringer Ingelheim (“Boehringer”) in roles of increasing responsibility in the U.S., Canada, and in Germany, including the role of Global Marketing Head of the Cardiovascular Franchise where he was responsible for over \$3.5 billion in annual revenues. Before Boehringer, he worked for almost ten years at Merck and Co. in various roles from field sales to senior marketing manager in the U.S. Mr. Kannan has led or supported multiple successful launches across therapeutic areas both in the U.S. and globally. Mr. Kannan received a bachelor of science degree in chemistry from the University of Madras, as well as a master’s degree in business administration from East Carolina University.

In connection with Mr. Kannan’s appointment, the Company and Mr. Kannan have entered into an employment agreement (the “Kannan Employment Agreement”), which provides for the following compensation terms for Mr. Kannan. Mr. Kannan will receive a base salary of \$520,000 per year (prorated for 2019), a hiring bonus of \$50,000 and will be eligible to receive an annual performance bonus, with a target annual bonus equal to 50% of his base salary. On the Effective Date, Mr. Kannan will also receive an option to purchase 950,000 shares of the common stock of the Company (the “Option”) at an exercise price per share equal to the stock’s fair market value on the date of the grant pursuant to the Company’s 2015 Stock Option and Incentive Plan (the “Plan”). The Option will vest over a four-year period as follows: 25% will vest on the first anniversary of the Effective Date and the remaining 75% will vest in equal monthly installments for the following 36 months, provided that Mr. Kannan remains employed by the Company on each such vesting date. Mr. Kannan is eligible to participate in the Company’s employee benefit plans on the same basis as generally made available to other full-time employees of the Company, as well as all benefit programs available to the senior executive employees of the Company.

The Kannan Employment Agreement provides for certain payments and benefits in the event of a termination of Mr. Kannan’s employment under specific circumstances. If Mr. Kannan’s employment is terminated by the Company without “Cause” at any time or by Mr. Kannan for “Good Reason” within 12 months following a “Change of Control” (each as defined in the Kannan Employment Agreement), he would be entitled to (1) continuation of his base salary at the rate in effect immediately prior to the termination date for 18 months following the termination date; (2) payment of his target bonus for the year in which the Change in Control occurs; (3) immediate vesting of all of the unvested shares subject to the Option and all other equity awards granted to him pursuant to the Plan; and (4) continuation of coverage of group health plan benefits (“COBRA benefits”) until the earlier of (a) 18 months after the date of termination and (b) the date Mr. Kannan becomes eligible for health benefits through another employer or otherwise becomes ineligible for COBRA benefits. Mr. Kannan’s receipt of such termination payments and benefits is contingent upon execution of a general release of claims in favor of the Company.

In the event Mr. Kannan’s employment is terminated by the Company without Cause or by Mr. Kannan for Good Reason, in either case other than a termination within 12 months following a Change in Control, provided he adheres to certain conditions set forth in the Agreement, he would be entitled to (1) continuation of his then current base salary for 12 months following the termination date; and (2) COBRA benefits until the earlier of (a) 12 months after the date of termination and (b) the date Mr. Kannan becomes eligible for health benefits through another employer or otherwise becomes ineligible for COBRA benefits. Mr. Kannan’s receipt of such termination payments and benefits is contingent upon execution of a general release of claims in favor of the Company.

The foregoing description of the Kannan Employment Agreement is a summary and is qualified in its entirety by reference to the Kannan Employment Agreement, which is attached hereto as Exhibit 10.1, and is incorporated by reference herein.

Other than the Kannan Employment Agreement, Mr. Kannan is not a party to any transaction with the Company that would require disclosure under Item 404(a) of Regulation S-K, and there are no arrangements or understandings between Mr. Kannan and any other persons pursuant to which he was selected as a director or as Chief Executive Officer.

Mark J. Fitzpatrick

On May 31, 2019, the Company entered into an amended and restated employment agreement with Mark J. Fitzpatrick to reflect his transition to President and principal financial officer as of the Effective Date (the “Fitzpatrick Employment Agreement”). Mr. Fitzpatrick will receive a base salary of \$520,000 per year and will be eligible to receive an annual performance bonus, with a target annual bonus equal to 50% of his base salary. In addition, Mr. Fitzpatrick will continue to be entitled to receive a retention bonus of \$25,000 per year, which bonus commenced accruing pro-rata on a monthly basis on October 1, 2016 (*i.e.*, the period commencing each October 1 and ending September 30 the following calendar year), which amount will (1) continue to accrue monthly until he no longer serves as the Company’s principal financial officer; (2) not exceed \$100,000 in the aggregate; and (3) be payable only if he remains employed with the Company until the Company resubmits its new drug application with the U.S. Food and Drug Administration for Mycapsa® (octreotide capsules) (the “NDA”) or he is terminated by the Company without Cause (as defined in the Fitzpatrick Employment Agreement) prior to the filing of the NDA.

The Fitzpatrick Employment Agreement provides for certain payments and benefits in the event of a termination of Mr. Fitzpatrick's employment under specific circumstances. If Mr. Fitzpatrick's employment is terminated by the Company without Cause at any time or by Mr. Fitzpatrick for "Good Reason" within 12 months following a "Change of Control" (each as defined in the Fitzpatrick Employment Agreement), he would be entitled to (1) continuation of his base salary at the rate in effect immediately prior to the termination date for 18 months following the termination date; (2) payment of his target bonus for the year in which the Change in Control occurs; (3) immediate vesting of all of the unvested shares subject to the Option (as defined in the Fitzpatrick Employment Agreement) and all other equity awards granted to him pursuant to the Plan; and (4) COBRA benefits until the earlier of (a) 18 months after the date of termination and (b) the date Mr. Fitzpatrick becomes eligible for health benefits through another employer or otherwise becomes ineligible for COBRA benefits. Mr. Fitzpatrick's receipt of such termination payments and benefits is contingent upon execution of a general release of claims in favor of the Company.

In the event Mr. Fitzpatrick's employment is terminated by the Company without Cause or by Mr. Fitzpatrick for Good Reason, in either case other than a termination within 12 months following a Change in Control, provided he adheres to certain conditions set forth in the Agreement, he would be entitled to (1) continuation of his then current base salary for 12 months following the termination date; (2) COBRA benefits until the earlier of (a) 12 months after the date of termination and (b) the date Mr. Fitzpatrick becomes eligible for health benefits through another employer or otherwise becomes ineligible for COBRA benefits; and (3) if the termination date occurs within 18 months of the Effective Date (the "Specified Period") (i) that portion of the Option and all other equity awards granted to him pursuant to the Plan that would have vested between the termination date and the end of the Specified Period shall automatically vest and become exercisable as of the later of (A) the termination date and (B) the effective date of a general release of claims in favor of the Company and (ii) if the last day of the Specified Period occurs after the last day of the period during which he may exercise vested stock options pursuant to any stock option agreements with the Company, the exercise period will be extended until the end of the Specified Period, provided that if there exists a closed trading window under the Company's insider trading policy as of the termination date, then the exercise period shall be extended until the later of (A) the end of the Specified Period and (B) the date which is sixty (60) days following the date the Company provides him notice that there no longer exists a closed trading window under the Company's insider trading policy. Mr. Fitzpatrick's receipt of such termination payments and benefits is contingent upon execution of a general release of claims in favor of the Company.

The foregoing description of the Fitzpatrick Employment Agreement is a summary and is qualified in its entirety by reference to the Fitzpatrick Employment Agreement, which is attached hereto as Exhibit 10.2, and is incorporated by reference herein.

Board Changes

As of the Effective Date, Mr. Kannan will be appointed to the Board to serve in Class II with a term ending upon the Company's 2020 annual meeting of stockholders or his earlier death, resignation, retirement or removal. Assuming he is elected to the Board at the Company's annual stockholder meeting on June 13, 2019 (the "Annual Meeting"), Mr. Fitzpatrick will resign from the Board on the Effective Date. As of the Effective Date, assuming all of the Company's nominees are elected at the Annual Meeting, the Board will consist of the following directors:

Class	Name	Term Expires
Class I	David Stack	2022
	John A. Scarlett, M.D.	2022
Class II	Raj Kannan	2020
	Todd Foley	2020
	Bard Geesaman, M.D., Ph.D.	2020
Class III	Scott Minick	2021
	John F. Thero	2021
	Roni Mamluk, Ph.D.	2021

A copy of the press release issued by the Company announcing the foregoing activities is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Employment Agreement, dated as of May 31, 2019, by and between Chiasma, Inc. and Raj Kannan
10.2	Amended and Restated Employment Agreement, dated as of May 31, 2019, by and between Chiasma, Inc. and Mark Fitzpatrick
99.1	Press Release issued by Chiasma, Inc. dated June 5, 2019, furnished hereto

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.

Date: June 5, 2019

Chiasma, Inc.

By: /s/ Mark J. Fitzpatrick

Mark J. Fitzpatrick

President, Chief Executive Officer, and Director

Chiasma, Inc.
460 Totten Pond Rd
Suite 530
Waltham, MA 02451

May 31, 2019

Raj Kannan

Re: Executive Employment Letter

Dear Raj:

This letter agreement (the "Agreement") confirms the terms and conditions of your employment with Chiasma, Inc. (the "Company") effective on July 16, 2019 or, if you become available earlier, on a mutually agreed date that is at least ten (10) business after the date of this Agreement (the "Start Date").

1. Position. As of the Start Date you will serve as the Company's Chief Executive Officer (the "CEO") and report to the Company's Board of Directors (the "Board"). This is a full-time exempt position. It is understood and agreed that, while you render services to the Company, you will not engage in any other employment, consulting or other business activities (whether full-time or part-time), unless you first obtain the Company's approval. You also may engage in religious, charitable, non-profit board and other community activities so long as such activities do not interfere or conflict with your obligations to the Company. While you are employed as the CEO, you shall serve as a member of the Board. You will be entitled to indemnification for actions taken or omitted to be taken on behalf of the Company in your capacity as an officer and director to the fullest extent permitted under applicable law and as provided in the Indemnification Agreement made as of May 31, 2019 (the "Indemnification Agreement"). Upon the ending of your employment, you shall immediately resign from the Board as well as from any other position(s) to which you were elected or appointed in connection with your position as CEO.

2. Salary and Hiring Bonus. Your base salary rate will be \$520,000 per year, prorated for 2019 based on the Start Date, payable in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. Your base salary will be subject to periodic (and no less than annual if practicable) review and adjustment at the Company's discretion. The Company will pay you a Hiring Bonus of \$50,000 less applicable payroll deductions and all required withholdings within ten (10) days of your execution of this Agreement. In the event that you voluntarily terminate your employment or are terminated by the Company for Cause, in either event within the first twelve (12) months after the Start Date, you will be required to repay the Hiring Bonus to the Company in full within thirty (30) days after the Date of Termination (as defined below).

3. Annual Bonus. You will be eligible to receive an annual performance bonus. The Company will target the bonus at 50% of your annual salary for the applicable bonus year (the "Bonus Target"). The actual bonus amount and percentage are discretionary and will be subject to the Board's assessment of your performance, as well as business conditions at the Company. The bonus also will be subject to your employment for the full period covered by the bonus, approval by and adjustment at the discretion of the Board, and the terms of any applicable bonus plan issued by the Board. The Board will review your job performance on an annual basis and will discuss with you the criteria which the Board will use to assess your performance for bonus purposes. The Board may also make adjustments in the targeted amount of your annual performance bonus. Any bonus for the 2019 year will be prorated based on the Start Date.

4. Business Travel/Expenses. The Company will reimburse you for travel and other business expenses consistent with the terms and conditions of the Company's expense reimbursement policies.

5. Benefits/Vacation. You will be eligible to participate in the employee benefits and insurance programs generally made available to the Company's full-time employees, as well as all benefit programs available to the senior executive employees of the Company, subject in each case to the terms and conditions of the Company's benefit plans and programs. You will be eligible for up to 4 (four) weeks of vacation per year, which shall accrue on a prorated basis. Other provisions of the Company's vacation policy are set forth in the policy itself.

6. **Stock Options.** You will be eligible to participate in the Company's stock option program, subject to approval by the Board. We will recommend to the Board that you be granted an option as soon as practicable following the Start Date (the actual grant date, the "Grant Date") for the purchase of 950,000 shares of common stock of the Company, at an exercise price per share equal to the stock's fair market value on the date of the grant (the "Option"). The Option will vest over four (4) years with 25% of the shares vesting on the first anniversary of the Start Date and the remaining 75% of the shares vesting in equal monthly installments for the following thirty-six (36) months, *provided* that you remain employed by the Company on each such vesting date. Your eligibility for stock options will be governed by the Company's 2015 Stock Incentive Plan (the "Plan") and any associated stock option agreement required to be entered into by you and the Company (the "Equity Documents"). Subject to approval by the Board, you may from time to time be granted additional equity-based compensation awards in respect of shares of common stock of the Company, pursuant to the Plan or any subsequently adopted incentive compensation plan.

7. **At-Will Employment.** Your employment is "at will," meaning you or the Company may terminate it at any time for any or no reason.

8. **Termination Benefits.**

a. In the event of the termination of your employment for any reason, the Company shall pay you your base salary through your last day of employment (the "Date of Termination"), for any accrued but unused vacation and the amount of any documented expenses properly incurred by you on behalf of the Company prior to any such termination and not yet reimbursed, and any other wages required to be paid by applicable law (the "Accrued Obligations").

b. "Cause" means: (i) conduct by you in connection with your service to the Company that is fraudulent, unlawful or grossly negligent; (ii) your material breach of your material responsibilities to the Company or your willful failure to comply with lawful directives of the Board or written policies of the Company; (iii) breach by you of your representations, warranties, covenants and/or obligations under this Agreement (including the Restrictive Covenant Agreement as defined in Section 10); (iv) material misconduct by you which seriously discredits or damages the Company or any of its affiliates; and/or (v) repeated nonperformance (except where due to Disability, as defined in Section 9 below) of your duties or responsibilities to the Company as determined in good faith by the Company after written notice to you and a reasonable opportunity to cure that shall not exceed thirty (30) days.

c. A "Change in Control" means the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 50% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction). Notwithstanding the foregoing, where required to avoid extra taxation under Section 409A of the Internal Revenue Code, a Change in Control must also satisfy the requirements of Treas. Reg. Section 1.409A-3(a)(5).

d. "Good Reason" means that you have complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in your responsibilities, authority or duties; (ii) a material diminution in your base salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or (iii) change of more than 60 miles in the geographic location at which you provide services to the Company, excluding any change in geographic location approved by you (each a "Good Reason Condition"). Notwithstanding the foregoing, a suspension of your responsibilities, authority and/or duties for the Company during any portion of a bona fide internal investigation or an investigation by regulatory or law enforcement authorities shall not be a Good Reason Condition. Good Reason Process shall mean that (i) you reasonably determine in good faith that a Good Reason Condition has occurred; (ii) you notify the Company in writing of the occurrence of the Good Reason Condition within 30 days of the occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

e. In the event the Company terminates your employment without Cause or you terminate your employment for Good Reason, in either case within 12 months after the occurrence of the first event constituting a Change in Control (a "Change in Control Termination") and provided you (i) enter into, do not revoke and comply with the terms of a Release of Claims in the form attached to this Agreement as Exhibit A, which includes a general release of claims against the Company and related persons and entities (the "Release") within the time period required therein but in no event later than 60 days after the Date of Termination; (ii) resign from any and all positions, including, without implication of limitation, as a director, trustee or officer, that you then hold with the Company and any affiliate of the Company; and (iii) return all Company property and comply with any instructions related to deleting and purging duplicates of such Company property, the Company will provide you with the following "Termination Benefits": (a) continuation of your then current base salary for the eighteen (18) month period that immediately follows the Date of Termination; (b) payment of the amount of bonus equal to your Bonus Target for the year in which the Change in Control occurs (a) and (b), the "Severance Payments"; (c) all of the unvested shares subject to the Option and all other equity awards granted to you pursuant to the Plan shall immediately vest and become exercisable as of the later of (i) the Date of Termination and (ii) the effective date of the Release; and (d) if elected, continuation of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and you as in effect on the Date of Termination until the earlier of (i) the date that is eighteen (18) months after the Date of Termination; and (ii) the date you become eligible for health benefits through another employer or otherwise become ineligible for COBRA. This Section 8(e) shall terminate and be of no further force or effect beginning 12 months after the occurrence of a Change in Control.

f. In the event the Company terminates your employment without Cause or you terminate your employment for Good Reason, in either case other than a Change in Control Termination, and in either case provided you (i) enter into, do not revoke and comply with the terms of the Release within the time period required therein but in no event later than 60 days after the Date of Termination; (ii) resign from any and all positions, including, without implication of limitation, as a director, trustee or officer, that you then hold with the Company and any affiliate of the Company; and (iii) return all Company property and comply with any instructions related to deleting and purging duplicates of such Company property, the Company will provide you with the following "Termination Benefits": (a) continuation of your then current base salary for the twelve (12) month period that immediately follows the Date of Termination (the "Severance Payments"); and (b) if elected, continuation of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and you as in effect on the Date of Termination until the earlier of (i) the date that is twelve (12) months after the Date of Termination; and (ii) the date you become eligible for health benefits through another employer or otherwise become ineligible for COBRA.

g. The Severance Payments shall commence within 60 days after the Date of Termination and shall be made on the Company's regular payroll dates; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Payments shall begin to be paid in the second calendar year. In the event you miss a regular payroll period between the Date of Termination and first Severance Payment date, the first Severance Payment shall include a "catch up" payment. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, each Severance Payment is considered a separate payment. Notwithstanding anything herein to the contrary, any Severance Payments that you receive or to which you are entitled in any calendar year shall be reduced by the amount of Garden Leave Pay (as defined in the Restrictive Covenant Agreement) you receive in the same such calendar year under the Restrictive Covenant Agreement.

9. Termination of Employment as a Result of Death, Disability, Your Resignation without Good Reason or a Termination by the Company for Cause. In the event your employment is terminated as a result of your (a) death, (b) Disability, (c) resignation without Good Reason, (d) termination for Cause by the Company, or (e) any other

termination of your employment that is not defined in Section 8(e) or Section 8(f) of this Agreement, you will be entitled to the Accrued Obligations but you will not be entitled to Termination Benefits. “Disability” means a disability as defined by the group long-term disability insurance policy maintained by the Company for the benefit of its employees. In the absence of such a policy, “Disability” means that, as a result of your mental or physical illness, you are unable to perform (with or without reasonable accommodation in accordance with the Americans with Disabilities Act) the duties of your position pursuant to this Agreement for a period of a minimum of one hundred twenty (120) consecutive days. During any period in which, as a result of your mental or physical illness, you are unable to perform (with or without reasonable accommodation in accordance with the Americans with Disabilities Act) the duties of your position, you will continue to receive your base salary in accordance with Section 2 and benefits in accordance with Section 5, to the extent permitted by the then-current terms of the applicable benefit plans, until you become eligible for disability income benefits under any disability income plan or until the termination of your employment, whichever shall first occur. To avoid doubt, nothing in the preceding sentence alters the at-will nature of your employment.

10. Confidential Information and Restricted Activities. By signing this Agreement, you represent that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you pursuant to the Employee Confidentiality, Assignment and Noncompetition Agreement (the “Restrictive Covenant Agreement”) attached as Exhibit B, the terms of which are incorporated by reference herein. You acknowledge and agree that the Restrictive Covenant Agreement was provided to you with this Agreement and at least 10 business days prior to the Start Date. You agree without reservation that the restraints in the Restrictive Covenant Agreement are necessary for the reasonable and proper protection of the Company and its affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, if you were to breach any of the covenants contained in this Agreement or the Restrictive Covenant Agreement, in addition to the Company’s other legal and equitable remedies, the Company may suspend or cease any Termination Benefits to which you might otherwise be entitled. Any such suspension or termination of the Termination Benefits by the Company in the event of a breach by you shall not affect your ongoing obligations to the Company, including under the Restrictive Covenant Agreement.

11. Taxes; Section 409A; Section 280G; Section 4099.

a. All forms of compensation referred to in this Agreement (which includes the Restrictive Covenant Agreement) are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You hereby acknowledge that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its board of directors related to tax liabilities arising from your compensation.

b. Anything in this Agreement to the contrary notwithstanding, if at the time of your separation from service within the meaning of Section 409A of the Code, the Company determines that you are a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that you become entitled to under this Agreement on account of your separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after your separation from service, or (B) your death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon your termination of

employment, then such payments or benefits shall be payable only upon your "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h). The Company and you intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The Company makes no representation or warranty and shall have no liability to you or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

c. Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which you become subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in you receiving a higher After Tax Amount (as defined below) than you would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c).

(i) For purposes of this Section 11(c), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on you as a result of your receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(ii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 11(c) shall be made, at the Company's expense, by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and you within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or you. Any determination by the Accounting Firm shall be binding upon the Company and you.

12. Interpretation, Amendment and Enforcement. This Agreement, the Restrictive Covenant Agreement, the Indemnification Agreement and the Equity Documents, constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with this Agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by Massachusetts law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in the Commonwealth of Massachusetts in connection with any Dispute or any claim related to any Dispute.

13. **Assignment.** Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenant Agreement) without your consent to any affiliate at any time, or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of your and its respective successors, executors, administrators, heirs and permitted assigns.

14. **Miscellaneous.** This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and a Board member of the Company. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.” This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument, and each of which may be delivered by facsimile transmission or in Portable Document Format (PDF) by email.

15. **Obligations to Former Employers.** You agree that you shall not disclose any confidential information of any prior employer at any time and will otherwise fully comply with your contractual and other legal obligations to any prior employer. By signing this Agreement, you represent to the Company that you have no contractual commitments or other legal obligations that would or may prohibit you from performing your duties for the Company.

Please acknowledge, by signing below, that you have accepted this Agreement.

Very truly yours,

By: /s/ David Stack
David Stack
Chairman, Chiasma, Inc.

I have read and accept this employment offer:

/s/ Raj Kannan
Raj Kannan

Dated: May 31, 2019

Enclosures: Exhibit A: Release

Exhibit A
RELEASE OF CLAIMS

This Release of Claims (the “Release”) is entered into by and between Raj Kannan (the “Executive”) and Chiasma, Inc. (with all affiliates, the “Company”) in connection with the Executive Employment Letter Agreement between the Executive and the Company dated May 31, 2019 (the “Agreement”). Terms with initial capitalization that are not otherwise defined in this Release have the meanings set forth in the Agreement. The consideration for the Executive’s agreement to this Release consists of the Termination Benefits, the receipt of which is conditioned on the Executive’s timely execution and nonrevocation of this Release pursuant to the Agreement.

1. Tender of Release. This Release is automatically tendered to the Executive upon the date of the termination of the Executive’s employment if the Executive is eligible for the Termination Benefits.

2. Release of Claims. Except as provided below, the Executive voluntarily releases and forever discharges the Company, its affiliated and related entities, its and their respective predecessors, successors and assigns, its and their respective employee benefit plans and fiduciaries of such plans, and the current and former members, partners, directors, officers, shareholders, employees, attorneys, accountants and agents of each of the foregoing in their official and personal capacities (collectively referred to as the “Releasees”) generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown (collectively, “Claims”) that, as of the date when the Executive signs this Release, he has, ever had, now claims to have or ever claimed to have had against any or all of the Releasees. This general release of Claims includes, without implication of limitation, the release of all Claims:

- relating to the Executive’s employment by and termination from employment with the Company or any related entity;
- of wrongful discharge or violation of public policy;
- of breach of contract;
- of discrimination or retaliation under federal, state or local law (including, without limitation, Claims of age discrimination or retaliation under the Age Discrimination in Employment Act, Claims of disability discrimination or retaliation under the Americans with Disabilities Act, and Claims of discrimination or retaliation under Title VII of the Civil Rights Act of 1964;
- under any other federal or state statute or constitution or local ordinance;
- of defamation or other torts;
- for wages, bonuses, incentive compensation, stock, stock options, vacation pay or any other compensation or benefits, whether under the Massachusetts Wage Act or otherwise; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney’s fees.

Notwithstanding anything to the contrary contained in this Release, Section 2 of this Release does not include and will not preclude: (a) Executive’s rights or claims under the Agreement to receive Termination Benefits and Accrued Obligations; (b) claims for worker’s compensation benefits under applicable law; (c) any claims arising solely after the execution of this Release; (d) any claims or rights Executive may have to any vested benefits or vested rights under any employee benefit, welfare, retirement and/or pension plans (the “Plans”), subject to the terms of the Plans, including, but not limited to, the Company’s 2015 Stock Incentive Plan and/or the Equity Documents, or any subsequently adopted incentive compensation plan, and applicable equity Award agreements; (e) any rights and/or claims Executive may have under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”); (f) claims for unemployment compensation benefits under state law; (g) claims for reimbursement of business expenses approved by the Company and incurred by the Executive prior to the Date of Termination; (h) rights, if any, to defense and indemnification from the Company or its insurers for actions taken by Executive in the course and scope of Executive’s employment with the Company, including, but not limited to, any claims or rights under the Indemnification Agreement; or (i) any rights and/or claims you may have as a shareholder of the Company.

3. Ongoing Obligations of the Executive. The Executive hereby reaffirms that the Restrictive Covenant Agreement remains in full effect, except that the Executive hereby waives any right to Garden Leave (as defined in the Restrictive Covenant Agreement) and agrees that Section 8(c) of the Restrictive Covenant Agreement is hereby deleted in its entirety and replaced with the following text taken from the original Section 8(c): "I shall not directly or indirectly, whether as owner, partner, shareholder, director, manager, consultant, agent, employee, co-venturer or otherwise, anywhere in the United States or in any other country in which the Company does business, engage or otherwise participate in any business that develops, manufactures or markets any products, or performs any services, that are competitive with the products or services of the Company, or products or services that the Company or its affiliates, has under development or that are the subject of active planning at any time during my employment." The first sentence of Section 17 ("Waiver") of the Restrictive Covenant Agreement is hereby deleted. The Restrictive Covenant Agreement, as amended herein, is incorporated herein by reference. The Restrictive Covenant Agreement, and any other ongoing obligations the Executive has under the Agreement, are the "Ongoing Obligations", which Obligations are incorporated herein by reference.

4. Nondisparagement. Executive agrees not to make any disparaging, critical or otherwise detrimental statements to any person or entity concerning any Releasee or the products or services of any Releasee. This nondisparagement obligation shall not in any way affect the Executive's obligation to testify truthfully in any legal proceeding. The Company agrees to instruct the senior management employees and Board of Directors of the Company not to make any disparaging, critical or otherwise detrimental statements to any person or entity concerning Executive. This nondisparagement obligation shall not in any way affect the Executive's obligation or the obligation of the Company's employees or representatives to testify truthfully in any legal proceeding.

5. Protected Disclosures and Other Protected Actions. Nothing contained in this Agreement limits Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing contained in this Agreement limits Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including Executive's ability to provide documents or other information, without notice to the Company, nor does anything contained in this Agreement apply to, restrict or prohibit truthful testimony in litigation, arbitration or other legal proceeding. If Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on Executive's behalf, or if any other third party pursues any claim on Executive's behalf, except for Termination Benefits to which the Executive is otherwise entitled, Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); *provided* that nothing in this Agreement limits any right Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission.

6. No Assignment. The Executive represents that he has not assigned to any other person or entity any Claims against any Releasee.

7. Right to Consider and Revoke Release. The Executive acknowledges that he has been given the opportunity to consider this Release for a period of at least 21 days (the "Consideration Period")¹. In the event the Executive executes this Release before the end of the Consideration Period, he acknowledges that such decision was entirely voluntary and that he had the opportunity to consider this Release until the end of the Consideration Period. To accept this Release, the Executive shall deliver a signed Release to the Company within twenty-one (21) days after the Date of Termination. For a period of seven (7) business days from the date when the Executive executes this Release (the "Revocation Period"), he shall retain the right to revoke this Release by written notice that is received by the undersigned Chiasma representative on or before the last day of the Revocation Period. If it is not revoked pursuant to the preceding sentence, this Release shall become effective and enforceable on the date immediately following the last day of the Revocation Period (the "Effective Date").

¹ To be increased to 45 days in the event of a group termination under the Older Workers' Benefits Protection Act.

8. Other Terms.

a. Legal Representation; Review of Release. The Executive acknowledges that he has been advised by the Company to discuss all aspects of this Release with his attorney, that he has carefully read and fully understands all of the provisions of this Release and that he is voluntarily entering into this Release.

b. Binding Nature of Release. This Release shall be binding upon the Executive and upon his heirs, administrators, representatives and executors.

c. Modification of Release; Waiver. This Release may be amended, only upon a written agreement executed by the Executive and the Company.

d. Severability. In the event that at any future time it is determined by a court of competent jurisdiction that any covenant, clause, provision or term of this Release is illegal, invalid or unenforceable, the remaining provisions and terms of this Release shall not be affected thereby and the illegal, invalid or unenforceable term or provision shall be severed from the remainder of this Release. In the event of such severance, the remaining covenants shall be binding and enforceable; provided, however, and for the avoidance of doubt, in no event shall the Company be required to provide Termination Benefits if all or part of Section 2 of this Release is held to be invalid or unenforceable.

e. Governing Law and Interpretation. This Release shall be deemed to be made and entered into in the Commonwealth of Massachusetts, and shall in all respects be interpreted, enforced and governed under the laws of the Commonwealth of Massachusetts, without giving effect to its conflict of laws provisions. The language of all parts of this Release shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties.

f. Entire Agreement; Absence of Reliance. This Release constitutes the entire agreement between the Executive and the Company and supersedes any previous agreements or understandings between the Executive and the Company, except the Equity Documents, the Ongoing Obligations and any other obligations specifically preserved in this Release. The Executive acknowledges that he is not relying on any promises or representations by the Company or the agents, representatives or attorneys of any of the entities within the definition of Company regarding any subject matter addressed in this Release.

IN WITNESS WHEREOF, the parties have executed this Release effective on the date and year first above written.

CHIASMA, INC.

By: _____
[NAME]
[TITLE]

Date

Raj Kannan

Date

Chiasma, Inc.
460 Totten Pond Road, Suite 530
Waltham, MA 02451

May 31, 2019

Mark J. Fitzpatrick

Re: Amended and Restated Executive Employment Letter

Dear Mark:

This amended and restated letter agreement (the "Agreement") confirms the revised terms and conditions of your employment with Chiasma, Inc. (the "Company"), effective as of the first day of employment with the Company of the Company's new Chief Executive Officer (the "Effective Date"). This Agreement amends, restates and supersedes in all respects your employment agreement with the Company dated September 27, 2016 (the "Prior Agreement") as of the Effective Date, *provided* that your Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement with the Company dated May 8, 2015, as modified by the Prior Agreement (the "Restrictive Covenant Agreement") shall remain unaltered and in full effect. You hereby acknowledge and agree that neither this Agreement nor any term herein, including your new position described in Section 1, constitutes Good Reason or a without Cause termination under the Prior Agreement, and that you are not eligible for, and hereby waive any eligibility for, any severance benefits under the Prior Agreement or otherwise as result of the amendment and restatement of the Prior Agreement as set forth in this Agreement. You further hereby agree that effective as of the Effective Date, you shall resign from the Board (defined below) and execute all documentation reasonably required by the Company to effectuate such resignation.

1. Position. As of the Effective Date you will serve as the Company's President reporting to the Company's Chief Executive Officer (the "CEO"). This is a full-time exempt position. It is understood and agreed that, while you render services to the Company, you will not engage in any other employment, consulting or other business activities (whether full-time or part-time), unless you first obtain the Company's approval. It is understood and agreed that you may serve on one other for-profit board but only if such outside board service does not present a conflict or potential conflict of interest as determined by the Board in good faith. You also may engage in religious, charitable, non-profit board and other community activities so long as such activities do not interfere or conflict with your obligations to the Company. It is expected that you will continue to serve as the principal financial officer of the Company, for no additional compensation other than as provided herein, until such time as the Company appoints a successor to this position. You will be entitled to indemnification for actions taken or omitted to be taken on behalf of the Company in your current and former capacities as an officer and director to the fullest extent permitted under applicable law and as provided in the Indemnification Agreement made as of June 21, 2015 (the "Indemnification Agreement"). Upon the ending of your employment, you shall immediately resign from any other position(s) to which you were elected or appointed in connection with your positions hereunder.

2. Salary. As of the Effective Date, your base salary rate will be paid at the rate of \$520,000 per year, payable in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. Your base salary will be subject to periodic (and no less than annual if practicable) review and adjustment at the Company's discretion.

3. Annual Bonus. You will be eligible to receive an annual performance bonus. The Company will target the bonus at 50% of your annual salary for the applicable bonus year (the "Bonus Target"). The actual bonus percentage is discretionary and will be subject to the Board's assessment of your performance, as well as business conditions at the Company. The bonus also will be subject to your employment for the full period covered by the bonus, approval by and adjustment at the discretion of the Board and the terms of any applicable bonus plan. The CEO will review your job performance on an annual basis and will discuss with you the criteria which the Board will use to assess your performance for bonus purposes. The Board may also make adjustments in the targeted amount of your annual performance bonus. Furthermore, for as long as you continue in the capacity of both President and principal

financial officer, you will continue to be entitled to receive the special incentive bonus as described in the Prior Agreement and in this Agreement and which bonus commenced accruing pro-rata on a monthly basis on October 1, 2016 (the "Special Incentive Bonus") in an amount equal to \$25,000 per annum (*i.e.*, the period commencing each October 1 and ending September 30 the following calendar year), which amount shall (i) continue to accrue pro-rata on a monthly basis until such time as you no longer serve as the Company's principal financial officer, (ii) in no event exceed \$100,000 in the aggregate and (iii) be payable only in the event you remain employed with the Company until the Company resubmits its new drug application with the U.S. Food and Drug Administration for Mycapssa[®] (octreotide capsules) (the "NDA") or you are terminated by the Company without Cause (as defined below) prior to the filing of an NDA and you enter into a Release (as defined below). The Company will pay any bonus pursuant to this Section 3 no later than 75 days after the end of the period covered by the bonus.

4. Business Travel/Expenses. The Company will reimburse you for travel and other business expenses consistent with the terms and conditions of the Company's expense reimbursement policies.

5. Benefits/Vacation. You will continue to be eligible to participate in the employee benefits and insurance programs generally made available to the Company's full-time employees, as well as all benefit programs available to the senior executive employees of the Company. You will continue to be eligible for up to 4 (four) weeks of vacation per year, which shall accrue on a prorated basis. Other provisions of the Company's vacation policy are set forth in the policy itself.

6. Stock Options. You will be eligible to participate in the Company's stock option program, subject to approval by the Board. In connection with the Prior Agreement, you were granted an option for the purchase of 373,352 shares of common stock of the Company, at an exercise price per share equal to the stock's fair market value on the date of the grant (the "Option"). The Option vests over four (4) years from the date of grant, with an aggregate of 64.58% of the shares having vested through May 1, 2019 and the remaining 35.42% of the shares vesting in equal monthly installments for the following seventeen (17) months, *provided* that you remain employed by the Company on each such vesting date (unless such options are accelerated as provided below). Your eligibility for stock options will be governed by the Company's 2015 Stock Incentive Plan (the "Plan") and any associated stock option agreement required to be entered into by you and the Company (the "Equity Documents"). Subject to approval by the Board, you may from time to time be granted additional equity-based compensation awards in respect of shares of common stock of the Company, pursuant to the Plan or any subsequently adopted incentive compensation plan.

7. At-Will Employment. Your employment is "at will," meaning you or the Company may terminate it at any time for any or no reason.

8. Termination Benefits.

a. In the event of the termination of your employment for any reason, the Company shall pay you your base salary through your last day of employment (the "Date of Termination"), for any accrued but unused vacation and the amount of any documented expenses properly incurred by you on behalf of the Company prior to any such termination and not yet reimbursed, and any other wages required to be paid by applicable law (the "Accrued Obligations").

b. "Cause" means: (i) conduct by you in connection with your service to the Company that is fraudulent, unlawful or grossly negligent; (ii) your material breach of your material responsibilities to the Company or your willful failure to comply with lawful directives of the Board or written policies of the Company; (iii) breach by you of your representations, warranties, covenants and/or obligations under this Agreement (including the Restrictive Covenant Agreement); (iv) material misconduct by you which seriously discredits or damages the Company or any of its affiliates, and/or (v) repeated nonperformance (except where due to Disability, as defined in Section 10 below) of your duties or responsibilities to the Company as determined in good faith by the Company after written notice to you and a reasonable opportunity to cure that shall not exceed thirty (30) days.

c. A "Change in Control" means the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 50% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction). Notwithstanding the foregoing, where required to avoid extra taxation under Section 409A of the Internal Revenue Code, a Change in Control must also satisfy the requirements of Treas. Reg. Section 1.409A-3(a)(5).

d. "Good Reason" means that you have complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in your responsibilities, authority or duties (excluding your responsibilities, authority or duties as the principal financial officer of the Company, in the event a successor to this position is appointed); (ii) a material diminution in your base salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or (iii) change of more than 60 miles in the geographic location at which you provide services to the Company, excluding any change in geographic location approved by you (each a "Good Reason Condition"). Notwithstanding the foregoing, a suspension of your responsibilities, authority and/or duties for the Company during any portion of a bona fide internal investigation or an investigation by regulatory or law enforcement authorities shall not be a Good Reason Condition. Good Reason Process shall mean that (i) you reasonably determine in good faith that a Good Reason Condition has occurred; (ii) you notify the Company in writing of the occurrence of the Good Reason Condition within 30 days of the occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

e. In the event the Company terminates your employment without Cause or you terminate your employment for Good Reason, in either case within 12 months after the occurrence of the first event constituting a Change in Control (a "Change in Control Termination") and provided you (i) enter into, do not revoke and comply with the terms of a Release of Claims in the form attached to this Agreement as Exhibit A, which includes a general release of claims against the Company and related persons and entities (the "Release") within the time period required therein but in no event later than 60 days after the Date of Termination; (ii) resign from any and all positions, including, without implication of limitation, as a director, trustee or officer, that you then hold with the Company and any affiliate of the Company; and (iii) return all Company property and comply with any instructions related to deleting and purging duplicates of such Company property, the Company will provide you with the following "Termination Benefits": (a) continuation of your then current base salary for the eighteen (18) month period that immediately follows the Date of Termination; (b) payment of your Bonus Target for the year in which the Change in Control occurs ((a) and (b), the "Severance Payments"); and (c) all of the unvested shares subject to the Option and all other equity awards granted to you pursuant to the Plan shall immediately vest and become exercisable as of the later of (i) the Date of Termination and (ii) the effective date of the Release; and (d) if elected, continuation of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and you as in effect on the Date of Termination until the earlier of (i) the date that is eighteen (18) months after the Date of Termination; and (ii) the date you become eligible for health benefits through another employer or otherwise become ineligible for COBRA. This Section 8(e) shall terminate and be of no further force or effect beginning 12 months after the occurrence of a Change in Control. To avoid doubt, the preceding sentence shall not serve to truncate or cease the payment of any Severance Payments or the provision of any other compensation or benefits under this subsection (e) that the Company has begun paying or providing as a result of a Change in Control Termination.

f. In the event the Company terminates your employment without Cause or you terminate your employment for Good Reason, in either case other than a Change in Control Termination, and in either case provided you (i) enter into, do not revoke and comply with the terms of the Release within the time period required therein but in no event later than 60 days after the Date of Termination; (ii) resign from any and all positions, including, without implication of limitation, as a director, trustee or officer, that you then hold with the Company and any affiliate of the Company; and (iii) return all Company property and comply with any instructions related to deleting and purging duplicates of such Company property, the Company will provide you with the following "Termination

Benefits: (a) continuation of your then current base salary for the twelve (12) month period that immediately follows the Date of Termination (the "**Severance Payments**"); (b) if elected, continuation of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "**COBRA**"), with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and you as in effect on the Date of Termination until the earlier of (i) the date that is twelve (12) months after the Date of Termination; and (ii) the date you become eligible for health benefits through another employer or otherwise become ineligible for COBRA; and (c) if the Date of Termination occurs within the eighteen (18) month period immediately following the Effective Date (the "**Specified Period**"): (I) that portion of the Option and all other equity awards granted to you pursuant to the Plan that would have vested between the Date of Termination and the end of the Specified Period shall automatically vest and become exercisable as of the later of (A) the Date of Termination and (B) the effective date of the Release; and (II) if the last day of the Specified Period occurs after the last day of the period during which you may exercise your vested stock options pursuant to the Equity Documents (the "**Exercise Period**"), the Exercise Period shall be extended until the end of the Specified Period, provided that if there exists a closed trading window under the Company's insider trading policy as of the Date of Termination, then the Exercise Period shall be extended until the later of (i) the end of the Specified Period and (ii) the date which is sixty (60) days following the date the Company provides you notice that there no longer exists a closed trading window under the Company's insider trading policy which would preclude your sale of stock of the Company, including, without limitation, the stock underlying the Option or any additional equity-based compensation award you were granted (the "**Exercise Period Extension**"). The Company will deliver such notice to you (via email and overnight mail) promptly following the Company making such determination to lift the closed trading window. You acknowledge that as a result of any Exercise Period Extension, to the extent your vested stock options are incentive stock options, your vested stock options would convert from incentive stock options to a nonqualified stock options, consistent with the Equity Documents and applicable law. You are advised to seek tax guidance from your personal tax advisors with regard to the potential change in tax treatment of your vested stock options as a result of any Exercise Period Extension. To avoid doubt, in no event shall any Exercise Period Extension last beyond the expiration date of the Option or of any other applicable equity awards, as provided in the applicable Equity Documents.

g. The Severance Payments shall commence within 60 days after the Date of Termination and shall be made on the Company's regular payroll dates; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Payments shall begin to be paid in the second calendar year. In the event you miss a regular payroll period between the Date of Termination and first Severance Payment date, the first Severance Payment shall include a "catch up" payment. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, each Severance Payment is considered a separate payment.

9. Termination of Employment as a Result of Death, Disability, Your Resignation without Good Reason or a Termination by the Company for Cause. In the event your employment is terminated as a result of your (a) death, (b) Disability, (c) resignation without Good Reason, (d) termination for Cause by the Company, or (e) any other termination of your employment that is not defined in Section 8(e) or Section 8(f) of this Agreement, you will be entitled to the Accrued Obligations but you will not be entitled to Termination Benefits. "**Disability**" means a disability as defined by the group long-term disability insurance policy maintained by the Company for the benefit of its employees. In the absence of such a policy, "**Disability**" means that, as a result of your mental or physical illness, you are unable to perform (with or without reasonable accommodation in accordance with the Americans with Disabilities Act) the duties of your position pursuant to this Agreement for a period of a minimum of ninety (90) consecutive days.

10. Restrictive Covenant Agreement. The Restrictive Covenant Agreement remains unaltered and in full effect. You agree without reservation that the restraints in the Restrictive Covenant Agreement are necessary for the reasonable and proper protection of the Company and its affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, if you were to breach any of the covenants contained in this Agreement or the Restrictive Covenant Agreement, in addition to the Company's other legal and equitable remedies, the Company may suspend or cease any Termination Benefits to which you might otherwise be entitled. Any such suspension or termination of the Termination Benefits by the Company in the event of a breach by you shall not affect your ongoing obligations to the Company.

11. Taxes; Section 409A; Section 280G; Section 4099.

a. All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You hereby acknowledge that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its board of directors related to tax liabilities arising from your compensation.

b. Anything in this Agreement to the contrary notwithstanding, if at the time of your separation from service within the meaning of Section 409A of the Code, the Company determines that you are a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that you become entitled to under this Agreement on account of your separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after your separation from service, or (B) your death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon your termination of employment, then such payments or benefits shall be payable only upon your "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h). The Company and you intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The Company makes no representation or warranty and shall have no liability to you or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

c. Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which you become subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in you receiving a higher After Tax Amount (as defined below) than you would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c).

(i) For purposes of this Section 11(c), the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on you as a result of your receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(ii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 11(c) shall be made, at the Company’s expense, by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and you within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or you. Any determination by the Accounting Firm shall be binding upon the Company and you.

12. Interpretation, Amendment and Enforcement. This Agreement, the Restrictive Covenant Agreement, the Indemnification Agreement and the Equity Documents constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company, including without limitation the Prior Agreement. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with this Agreement, your employment with the Company or any other relationship between you and the Company (the “Disputes”) will be governed by Massachusetts law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in the Commonwealth of Massachusetts in connection with any Dispute or any claim related to any Dispute.

13. Assignment. Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenant Agreement) without your consent to any affiliate at any time, or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of your and its respective successors, executors, administrators, heirs and permitted assigns.

14. Miscellaneous. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and a Board member of the Company. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. The words “include,” “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.” This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

15. Obligations to Former Employers. By signing this Agreement, you represent to the Company that you have no contractual commitments or other legal obligations to former employers that would or may prohibit you from performing your duties for the Company.

Please acknowledge, by signing below, that you have accepted this amended and restated Agreement.

Very truly yours,

By: /s/ David Stack
David Stack
Chairman, Chiasma, Inc.

Mark J. Fitzpatrick
May 31, 2019
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I have read and accept this employment offer:

/s/ Mark J. Fitzpatrick
Mark J. Fitzpatrick

Dated: May 31, 2019

Enclosures: Exhibit A: Release

Exhibit A
RELEASE OF CLAIMS

This Release of Claims (the “Release”) is entered into by and between Mark J. Fitzpatrick (the “Executive”) and Chiasma, Inc. (with all affiliates, the “Company”) in connection with the “Agreement” between the Executive and the Company dated May 31, 2019. Terms with initial capitalization that are not otherwise defined in this Release have the meanings set forth in the Agreement. The consideration for the Executive’s agreement to this Release consists of the Termination Benefits, the receipt of which is conditioned on the Executive’s timely execution and nonrevocation of this Release pursuant to the Agreement.

1. Tender of Release. This Release is automatically tendered to the Executive upon the Date of Termination if the Executive is eligible for the Termination Benefits.

2. Release of Claims. Except as provided below, the Executive voluntarily releases and forever discharges the Company, its affiliated and related entities, its and their respective predecessors, successors and assigns, its and their respective employee benefit plans and fiduciaries of such plans, and the current and former members, partners, directors, officers, shareholders, employees, attorneys, accountants and agents of each of the foregoing in their official and personal capacities (collectively referred to as the “Releasees”) generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown (collectively, “Claims”) that, as of the date when the Executive signs this Release, he has, ever had, now claims to have or ever claimed to have had against any or all of the Releasees. This general release of Claims includes, without implication of limitation, the release of all Claims:

- relating to the Executive’s employment by and termination from employment with the Company or any related entity;
- of wrongful discharge or violation of public policy;
- of breach of contract;
- of discrimination or retaliation under federal, state or local law (including, without limitation, Claims of age discrimination or retaliation under the Age Discrimination in Employment Act, Claims of disability discrimination or retaliation under the Americans with Disabilities Act, and Claims of discrimination or retaliation under Title VII of the Civil Rights Act of 1964;
- under any other federal or state statute or constitution or local ordinance;
- of defamation or other torts;
- for wages, bonuses, incentive compensation, stock, stock options, vacation pay or any other compensation or benefits, whether under the Massachusetts Wage Act or otherwise; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney’s fees.

Notwithstanding anything to the contrary contained in this Release, Section 2 of this Release does not include and will not preclude: (a) Executive’s rights or claims under the Agreement to receive Termination Benefits; (b) claims for worker’s compensation benefits under applicable law; (c) any claims arising solely after the execution of this Release; (d) any claims or rights Executive may have to any vested benefits or vested rights under any employee benefit, welfare, retirement and/or pension plans (the “Plans”), subject to the terms of the, including, but not limited to, the Company’s 2015 Stock Incentive Plan, or any subsequently adopted incentive compensation plan, and applicable equity Award agreements; (e) any rights and/or claims Executive may have under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”); (f) claims for unemployment compensation benefits under state law; (g) claims for reimbursement of business expenses approved by the Company and incurred by the Executive prior to the Date of Termination; or (h) rights, if any, to defense and indemnification from the Company or its insurers for actions taken by Executive in the course and scope of Executive’s employment with the Company;

3. Ongoing Obligations of the Executive. The Executive hereby reaffirms his ongoing obligations to the Company under the Restrictive Covenant Agreement and otherwise under the Agreement (the "Ongoing Obligations"), which Obligations are incorporated herein by reference.

4. Nondisparagement. Executive agrees not to make any disparaging, critical or otherwise detrimental statements to any person or entity concerning any Releasee or the products or services of any Releasee. This nondisparagement obligation shall not in any way affect the Executive's obligation to testify truthfully in any legal proceeding.

5. Protected Disclosures and Other Protected Actions. Nothing contained in this Agreement limits Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing contained in this Agreement limits Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including Executive's ability to provide documents or other information, without notice to the Company, nor does anything contained in this Agreement apply to truthful testimony in litigation. If Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on Executive's behalf, or if any other third party pursues any claim on Executive's behalf, except for Termination Benefits to which the Executive is otherwise entitled, Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); *provided* that nothing in this Agreement limits any right Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission.

6. No Assignment. The Executive represents that he has not assigned to any other person or entity any Claims against any Releasee.

7. Right to Consider and Revoke Release. The Executive acknowledges that he has been given the opportunity to consider this Release for a period of at least 21 days (the "Consideration Period").¹ In the event the Executive executes this Release before the end of the Consideration Period, he acknowledges that such decision was entirely voluntary and that he had the opportunity to consider this Release until the end of the Consideration Period. To accept this Release, the Executive shall deliver a signed Release to the Company's CEO within twenty-one (21) days after the Date of Termination. For a period of seven (7) business days from the date when the Executive executes this Release (the "Revocation Period"), he shall retain the right to revoke this Release by written notice that is received by the undersigned Chiasma representative on or before the last day of the Revocation Period. If it is not revoked pursuant to the preceding sentence, this Release shall become effective and enforceable on the date immediately following the last day of the Revocation Period (the "Effective Date").

8. Other Terms.

a. Legal Representation: Review of Release. The Executive acknowledges that he has been advised by the Company to discuss all aspects of this Release with his attorney, that he has carefully read and fully understands all of the provisions of this Release and that he is voluntarily entering into this Release.

b. Binding Nature of Release. This Release shall be binding upon the Executive and upon his heirs, administrators, representatives and executors.

c. Modification of Release: Waiver. This Release may be amended, only upon a written agreement executed by the Executive and the Company.

d. Severability. In the event that at any future time it is determined by a court of competent jurisdiction that any covenant, clause, provision or term of this Release is illegal, invalid or unenforceable, the remaining provisions and terms of this Release shall not be affected thereby and the illegal, invalid or unenforceable term or provision shall be severed from the remainder of this Release. In the event of such severance, the remaining covenants shall be binding and enforceable; provided, however, and for the avoidance of doubt, in no event shall the Company be required to provide Termination Benefits if all or part of Section 2 of this Release is held to be invalid or unenforceable.

¹ To be increased to 45 days in the event of a group termination under the Older Workers' Benefits Protection Act.

e. Governing Law and Interpretation. This Release shall be deemed to be made and entered into in the Commonwealth of Massachusetts, and shall in all respects be interpreted, enforced and governed under the laws of the Commonwealth of Massachusetts, without giving effect to its conflict of laws provisions. The language of all parts of this Release shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties.

f. Entire Agreement; Absence of Reliance. This Release constitutes the entire agreement between the Executive and the Company and supersedes any previous agreements or understandings between the Executive and the Company, except the Company's 2015 Stock Incentive Plan, or any subsequently adopted incentive compensation plan, and applicable Award agreements, any other documents governing the Executive's equity, options, Restricted Stock Units or other stock based awards as applicable, the Ongoing Obligations and any other obligations specifically preserved in this Release. The Executive acknowledges that he is not relying on any promises or representations by the Company or the agents, representatives or attorneys of any of the entities within the definition of Company regarding any subject matter addressed in this Release.

IN WITNESS WHEREOF, the parties have executed this Release effective on the date and year first above written.

CHIASMA, INC.

By: _____
[NAME]
[TITLE]

Date

Mark J. Fitzpatrick

Date



Chiasma Strengthens Leadership Team Ahead of Anticipated Commercial Availability of Mycapssa®

Appoints pharma commercial veteran Raj Kannan as Chief Executive Officer

Current CEO Mark Fitzpatrick to retain the role of President

Waltham, MA – June 5, 2019 – Chiasma, Inc. (NASDAQ: CHMA), a clinical-stage biopharmaceutical company focused on improving the lives of patients with rare and serious chronic diseases, today announced a management transition intended to further strengthen the Company’s leadership team ahead of the anticipated commercial availability of Mycapssa®. As part of the transition, the Company has appointed pharmaceutical commercial veteran Raj Kannan as Chief Executive Officer. The Company’s current Chief Executive Officer, Mark Fitzpatrick, will continue to serve as President. Mr. Kannan will also join Chiasma’s Board of Directors. The management transition is expected to be effective no later than June 17, 2019.

Dave Stack, Chairman of the Board, said “We are very pleased to welcome Raj to the Chiasma team at this critical time in the Company’s evolution. As we prepare to transition from a late-stage development company to a commercial-ready organization, we believe Raj has the ideal skill set to guide the Company through its next phase of growth. Raj brings a 25-year track record of global sales and marketing success at highly regarded commercial-stage pharmaceutical companies, and his leadership experience prepares him well to assume the role of Chief Executive Officer.

“We are also very fortunate to retain Mark Fitzpatrick as part of this transition in the role of President. Mark has been instrumental in shepherding the Company through the multinational clinical development of Mycapssa® since he assumed the role of Chief Executive Officer in October 2016, and we expect to benefit from his deep institutional knowledge and continued leadership as we transition to a commercial-ready company. Mycapssa® represents a potential paradigm change in the maintenance treatment of adult patients with acromegaly, and with a world-class leadership team now in place, we look forward to potentially making this novel treatment available to patients worldwide,” Mr. Stack concluded.

Raj Kannan said, “I am very excited about the opportunity to lead Chiasma through the planned U.S. and global commercialization of Mycapssa®. What attracted me to the Company was the market potential for its first-in-class oral somatostatin analog, the quality and stability of the team, and their perseverance to see this product candidate through to acromegaly patients whose needs are currently unmet by existing injectable treatments. I look forward to joining the team and building upon the Company’s mission.”

Mr. Fitzpatrick said, “Raj joins Chiasma at a time when our planned transition into a commercial enterprise necessitates the vision and experience of a tried and true global commercial leader. I look forward to working with Raj and the rest of the Chiasma team as we plan for an expected mid-2020 PDUFA date for Mycapssa® and develop our longer-term commercialization strategy in the E.U. and in other markets.”

Prior to joining Chiasma, Mr. Kannan served as Chief Commercial Officer at Kiniksa Pharmaceuticals since July 2018. In that role, he was responsible for building and leading the company's commercial operations, including sales, marketing, business analytics, and market access functions. Prior to Kiniksa, Mr. Kannan served as the Global Head of the Neurology and Immunology (N&I) business franchise at Merck KGaA, where he was responsible for \$2 billion in annual revenues. In that role, he successfully led the launch of Mavenclad, an oral small molecule in Multiple Sclerosis. He also chaired the N&I franchise leadership team that was responsible for advancing the immunology pipeline assets, prioritizing the portfolio mix, and the resource allocation across development assets. Prior to Merck KGaA, Mr. Kannan spent ten years at Boehringer Ingelheim in roles of increasing responsibility in the U.S., Canada, and in Germany, including the role of Global Marketing Head of the Cardiovascular Franchise where he was responsible for over \$3.5B in annual revenues. Before Boehringer, he worked for almost ten years at Merck and Co. in various roles from field sales to senior marketing manager in the U.S. Mr. Kannan has led or supported multiple successful launches across therapeutic areas both in the U.S. and globally.

About Chiasma

Chiasma is focused on improving the lives of patients who face challenges associated with their existing treatments for rare and serious chronic diseases. Employing its Transient Permeability Enhancer (TPE®) technology platform, Chiasma seeks to develop oral medications that are currently available only as injections. In October 2018, the Company completed enrolment in CHIASMA OPTIMAL, its third Phase 3 clinical trial for its octreotide capsules product candidate, conditionally trade-named MYCAPSSA®, for the maintenance therapy of adult patients with acromegaly in whom prior treatment with somatostatin analogs has been shown to be effective and tolerated. Prior to trial initiation, the Company reached agreement with the FDA on the design of the trial through a Special Protocol Assessment. Chiasma is headquartered in Waltham, MA with a wholly-owned subsidiary in Israel. MYCAPSSA, TPE and CHIASMA are registered trademarks of Chiasma. For more information, please visit the Company's website at www.chiasma.com.

Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding the Company's development and potential commercialization of octreotide capsules, conditionally named Mycapssa, for the treatment of acromegaly. Any forward-looking statements in this press release are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in or implied by such forward-looking statements. For a discussion of these and other risks and uncertainties, and other important factors, any of which could cause our actual results to differ from those contained in the forward-looking statements, see the section entitled "Risk Factors" in Chiasma's Annual Report on Form 10-K for the year ended December 31, 2018, and in subsequent filings with the Securities and Exchange Commission. All information in this press release is as of the date of the release, and Chiasma undertakes no duty to update this information unless required by law.

Contact:

Ashley R. Robinson
LifeSci Advisors, LLC
617-535-7742
arr@lifesciadvisors.com