
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): November 14, 2019

EyePoint Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-51122
(Commission
File Number)

26-2774444
(I.R.S. Employer
Identification No.)

**480 Pleasant Street
Watertown, MA 02472**
(Address of Principal Executive Offices, and Zip Code)

(617) 926-5000
Registrant's Telephone Number, Including Area Code
(Former Name or Former Address, if Changed Since Last Report)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001	EYPT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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

On November 14, 2019 (the “Start Date”), EyePoint Pharmaceuticals, Inc. (the “Company”) announced that the Board of Directors (the “Board”) of the Company appointed George Elston, age 55, as the Company’s Chief Financial Officer and Head of Corporate Development. Mr. Elston was appointed Chief Financial Officer and Head of Corporate Development by the Board on November 14, 2019.

In connection with Mr. Elston’s appointment, the Company entered into an employment agreement (the “Employment Agreement”) with Mr. Elston, which provides that his employment will continue until either the Company or Mr. Elston provides notice of termination in accordance with the terms of the Employment Agreement. In addition, the Company entered into a confidential information, non-disclosure, non-solicitation, non-compete, and rights to intellectual property agreement with Mr. Elston, which prohibits him from competing with the Company, soliciting the Company’s employees and customers and disclosing confidential information during the term of his employment and for a specified time thereafter.

Pursuant to the Employment Agreement, Mr. Elston is entitled to receive an annual base salary of \$440,000. In connection with his employment, the Company granted Mr. Elston options to purchase 745,000 shares of the Company’s common stock at an exercise price of \$1.42 per share, with 25% vesting on the first anniversary of the Start Date followed by ratable monthly vesting through the fourth anniversary of the Start Date. The Equity Awards were made outside the Company’s 2016 Long Term Equity Incentive Plan, as amended, as an inducement material to Mr. Elston’s entering into employment with the Company pursuant to Nasdaq Stock Market LLC (“Nasdaq”) Listing Rule 5635(c)(4). In addition, Mr. Elston is eligible to receive an annual cash bonus, which is based on the achievement of individual and corporate performance objectives, calculated as a percentage of his annual base salary, and which will be determined by the Company’s Board, in its sole discretion. Mr. Elston’s target annual bonus is 40% of his annual base salary. In connection with his appointment, Mr. Elston has also entered into the Company’s standard indemnification agreement, the form of which is filed as Exhibit 10.5 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019.

Under the Employment Agreement, if Mr. Elston’s employment is terminated by the Company without “cause” or by Mr. Elston for “good cause” (as such terms are defined in the Employment Agreement), Mr. Elston will be entitled to (a) his base salary for the period of 12 months from the date of termination; (b) 100% of his target bonus, payable in equal installments during the period of base salary continuation payable in clause (a); and (c) reimbursements equal to the portion of the monthly health premiums paid by the Company on Mr. Elston’s behalf and that of his eligible dependents immediately preceding the date that Mr. Elston’s employment terminates until the earlier of (i) the last day of the period of base salary continuation under clause (a) and (ii) that date that Mr. Elston and his eligible dependents become ineligible for COBRA coverage. Upon a “change of control” (as such term is defined in the Employment Agreement), any options to purchase shares of the Company’s common stock or shares of restricted stock of the Company held by Mr. Elston that are not fully vested at the time of the change of control will immediately accelerate and vest in full, provided that Mr. Elston is employed by the Company on the date of the change of control.

In addition to the payments set forth in the preceding paragraph, upon the termination of Mr. Elston’s employment for any reason, Mr. Elston will be entitled to receive any earned or accrued amounts and vested benefits that remain unpaid as of the date of his termination of employment. The payments and benefits set forth above are subject to Mr. Elston’s execution of a release of claims.

Mr. Elston brings more than 25 years of diverse financial and senior leadership experience in the biopharmaceutical sector with both global publicly-traded and privately-held organizations. Most recently, Mr. Elston served as Chief Financial Officer and Head of Corporate Development at Enzyvant Therapeutics where he helped build the pre-commercial rare disease firm leading to its recent acquisition. He previously was President and Chief Executive Officer at 2X Oncology, Inc., where he advanced the Company from a spin-out into a multi-program, clinical-stage organization. He has also held senior executive roles at Juniper Pharmaceuticals, Inc., KBI Biopharma and Ophtherion, Inc. Mr. Elston began his career in public accounting at PriceWaterhouseCoopers. He earned his B.B.A. in accounting from Pace University and is a Certified Public Accountant. He currently serves as a Trustee and Audit Committee Chairman of the DWS – DBX ETF Trust.

There are no family relationships between Mr. Elston and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The description of the Employment Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the complete text of the Employment Agreement, a copy of which is filed as Exhibit 10.1 to this current report on Form 8-K.

Item 8.01 Other Events

On the Start Date, the Company issued a press release announcing the appointment of Mr. Elston. A copy of the press release, which is filed with this Current Report on Form 8-K as Exhibit 99.1, is hereby filed pursuant to this Item 8.01.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
10.1	Employment Agreement, dated November 14, 2019, by and between EyePoint Pharmaceuticals, Inc. and George Elston
99.1	Press Release, dated November 14, 2019, by EyePoint Pharmaceuticals, Inc

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.

EYEPOINT PHARMACEUTICALS, INC.

Date: November 19, 2019

By: /s/ Nancy Lurker
Name: Nancy Lurker
Title: President and Chief Executive Officer



EMPLOYMENT AGREEMENT

This Employment Agreement (hereinafter the "Agreement") is made as of November 14, 2019, by and between **George O. Elston**, who currently resides at xxx ("Employee") and **EyePoint Pharmaceuticals, Inc.** (formerly pSivida, Inc. and hereinafter together with its parent, subsidiary, and related or affiliated entities referred to as the "Company"), having its headquarters at 480 Pleasant Street, Suite B300, Watertown, Massachusetts 02472 (collectively the "Parties").

Recitals

WHEREAS, the Employee desires to be employed by and the Company desires to employ Employee as its Chief Financial Officer; and

WHEREAS, the Company and Employee desire to set forth the terms and conditions under which the Company agrees to employ Employee and Employee agrees to be employed by the Company;

Agreement

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and the Employee hereby agree as follows:

1. Position and Duties.

(a) Employee will commence employment on November 14, 2019 or such other date as the Company and Employee may agree (the "Start Date") on a full-time basis, as the Chief Financial Officer and Head of Corporate Development, reporting to the President and Chief Executive Officer of the Company. This is an exempt position.

(b) Employee agrees to perform the duties of Employee's position and such other duties as may reasonably be assigned to Employee consistent therewith from time to time. Employee also agrees that, while employed by the Company, Employee will devote Employee's full business time and best efforts, business judgment, skill and knowledge exclusively to the advancement of the business interests of the Company and to the discharge of all assigned duties and responsibilities for them. Company acknowledges and consents that Employee currently serves as a Trustee for the DBX Trust and is eligible to serve as a Director on one additional publicly traded company's Board of Directors, provided that the additional entity is not a competitor to the Company.

(c) Employee agrees that, while employed by the Company, Employee will comply with all Company policies, practices and procedures and all codes of ethics or business conduct reasonably applicable to Employee's position, as in effect from time to time.

2. Compensation and Benefits. During Employee's employment, as compensation for all services performed by Employee for the Company and its subsidiaries and subject to Employee's full performance of Employee's obligations hereunder, the Company will provide Employee the following pay and benefits:

(a) **Base Salary.** The Company will pay Employee a base salary at the rate of \$440,000.00 (Four-Hundred Twenty-Five Thousand Dollars and Zero Cents) per year, payable in accordance with the regular payroll practices of the Company (as may be adjusted, from time to time, the "Base Salary"). In the event the Base Salary is increased, the increased amount shall constitute the Base Salary.

(b) **Bonus Compensation.** For each fiscal year completed during Employee's employment under this Agreement, Employee will be eligible for an annual cash bonus. Employee's target bonus will be 40% of the then current Base Salary (the "**Target Bonus**"), with the actual amount of any such bonus being determined by the Board of Directors of the Company (the "**Board**") in its sole discretion, based on Employee's performance and that of the Company against goals established by the Board and consistent with any applicable plan or program documents and generally applicable Company policies. Except as otherwise expressly provided in Section 4 hereof, Employee must be employed through the date a bonus is paid in order to earn the bonus. If Employee's employment terminates, for any reason, prior to the payout of the bonus, the bonus is not due and payable. The Company shall generally award any bonus by March 31 each year, in respect of the preceding year.

(c) **Inducement Option Equity Grant.** Employee shall be granted an option to acquire 745,000 common shares at an exercise price of equal to the closing share price on the Start Date. The terms and conditions of the option grant shall be as provided in an Executive Officer Inducement Award Agreement in the Company's customary form.

(d) **Equity and Other Long-Term Incentive Grants.** Commencing with the 2021 annual award of equity or other long-term incentives to senior executives following your Start Date, you will be eligible for grants of equity and other long-term awards as approved by the Compensation Committee based on prevailing market practices and commensurate with your position relative to grants to other senior executives of the Company. Notwithstanding the foregoing, if the Company completes an equity financing round after the Start Date and before March 31, 2020, Employee shall be eligible for an additional equity grant (the "True Up Grant") which shall reflect the dilution of the Company's common stock caused by such equity financing round, such that the Employee's percentage ownership of the Company's fully diluted common stock after the True Up Grant shall be equal to Employee's percentage ownership immediately following the initial inducement option equity grant described in Section 2(c) above.

(e) Participation in Employee Benefit Plans. Employee will be entitled to participate in all employee benefit plans from time to time in effect for senior employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided Employee under this Agreement (e.g., a severance pay plan). Employee's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies, as the same may be in effect from time to time, and any other restrictions or limitations imposed by law.

(f) Vacations. Employee will be entitled to twenty (20) days of vacation per year, in addition to holidays observed by the Company. Vacation will accrue monthly on a pro-rated basis. Vacation may be taken at such times and intervals as Employee shall determine, subject to the business needs of the Company. Vacation shall otherwise be subject to the policies of the Company, as in effect from time to time.

(g) Business Expenses; Temporary Housing Allowance. The Company will pay or reimburse Employee for all reasonable business expenses incurred or paid by Employee in the performance of Employee's duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified from time to time. Employee's right to payment or reimbursement for business expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement is not subject to liquidation or exchange for any other benefit.

In addition, the Company shall reimburse Employee for temporary housing expenses of up to \$4,000 per month for accommodations in the Boston area for six (6) months subsequent to the Start Date. Employee shall obtain and be responsible for Employee's housing and related costs in the Boston area throughout Employee's time of employment with the Company after the sixth (6th) month of employment.

(h) Professional Fees. The Company will reimburse your reasonable professional fees incurred by you related to the negotiation and preparation of this Agreement and related agreements and other documents in an aggregate amount not to exceed five thousand dollars (\$5,000).

3. Termination of Employment.

Employee's employment under this Agreement shall

continue until terminated pursuant to this Section 3.

(a) By the Company for Cause. The Company may terminate Employee's employment for Cause upon notice to Employee setting forth in reasonable detail the nature of the Cause. The following, as determined by the Board in its reasonable, good faith judgment, shall constitute "Cause" for termination: (i) material or willful failure to perform duties reasonably expected and/or requested of Employee (other than by reason of disability) if not cured within 30 days of written notice of such failure; (ii) material breach of this

Agreement or any other agreement between Employee and the Company, including but not limited to any Confidential Information, Non-Disclosure, Non-Solicitation, Non-Compete, and Rights to Intellectual Property Agreement if not cured within 30 days of written notice of such breach; (iii) commission of, or plea of nolo contendere to, a felony or other crime involving moral turpitude; (iv) commission of fraudulent or illegal act in commission of Employee's duties or otherwise with respect to the Company; (v) failure to adhere to moral and ethical business principles consistent with the Company's Code of Business Conduct and/or policies in effect from time to time; (vi) engaging in an act or series of acts constituting misconduct resulting in a misstatement of the Company's financial statements due to material non-compliance with any financial reporting requirement within the meaning of Section 304 of the Sarbanes-Oxley Act of 2002; or (vii) other conduct that is or could reasonably be expected to be harmful to the interests or reputation of the Company.

(b) By the Company Without Cause. The Company may terminate Employee's employment at any time other than for Cause upon two weeks' notice.

(c) By Employee for Good Cause. Employee may terminate Employee's employment for Good Cause by (A) providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Cause no later than the thirtieth (30th) day following Employee's first becoming aware of such event or condition; (B) providing the Company a period of (30) days to remedy the event or condition; and (C) written notice terminating Employee's employment for Good Cause within fifteen (15) days following the expiration of the period to remedy if the Company fails to remedy the condition. The following, if occurring without Employee's consent, shall constitute "Good Cause" for termination by Employee: (i) a material diminution in the nature or scope of Employee's position, duties, or authority (other than temporarily while Employee is physically or mentally incapacitated to such a degree that Employee would be eligible for disability benefits under the Company's disability income plan or as required by applicable law); (ii) a material reduction in the Base Salary or the Target Bonus percentage; (iii) a material breach by the Company of this Agreement; (iv) a requirement by the Company that Employee relocate to a location more than thirty (30) miles from Watertown, Massachusetts.

(d) By Employee Without Good Cause. Employee may terminate Employee's employment at any time without Good Cause upon thirty (30) days' notice to the Company. The Board may elect to waive such notice period or any portion thereof; but in that event, the Company shall pay Employee the Base Salary for that portion of the notice period so waived.

(e) Death and Disability. Employee's employment hereunder shall automatically terminate in the event of Employee's death during employment. In the event Employee becomes disabled during employment and, as a result, is unable to continue to perform substantially all of Employee's duties and responsibilities under this Agreement, either with or without reasonable accommodation, the Company will continue to pay Employee the Base Salary and to provide Employee benefits in accordance with Section 2(c) above, to the extent permitted by plan terms, for up to twelve (12) weeks of disability during any period of three hundred sixty-five (365) consecutive calendar days.

4. Other Matters Related to Termination.

(a) Final Compensation. In the event of termination of Employee's employment with the Company, howsoever occurring, the Company shall pay Employee (i) the Base Salary for the final payroll period of Employee's employment, pro-rated through the date that Employee's employment terminates; (ii) compensation at the rate of the Base Salary for any accrued, unused vacation time; and (iii) reimbursement, in accordance with Section 2(e) hereof, for business expenses incurred by Employee but not yet paid to Employee as of the date Employee's employment terminates; provided Employee submits all expenses and supporting documentation required within sixty (60) days of the date Employee's employment terminates, and provided further that such expenses are reimbursable under Company policies as then in effect (all of the foregoing, "Final Compensation"). Except as otherwise provided in Section 5(a)(iii), Final Compensation will be paid to Employee within thirty (30) days following the date of termination (or such shorter period required by law).

(b) Severance Payments. In the event of any termination of Employee's employment pursuant to Section 3(b) or Section 3(c) above, the Company will pay Employee, in addition to Final Compensation, (i) the Base Salary for the period of twelve (12) months from the date of termination; plus (ii) one times the Target Bonus for the year in which the termination occurs, payable in equal installments during the period of Base Salary continuation under clause (i). Provided Employee timely elects continuation coverage for Employee and Employee's eligible dependents under the federal law known as "COBRA" or similar state law, the Company will pay the monthly amount that equals the portion of the monthly health premiums paid by the Company on Employee's behalf and that of Employee's eligible dependents immediately preceding the date that Employee's employment terminates until the earlier of (A) the last day of the period of Base Salary continuation under clause (i) and (B) the date that Employee and Employee's eligible dependents become ineligible for COBRA coverage to the extent permissible by law and plan terms. The severance payments described in clauses (i) through (ii) above are referred to as the "Severance Payments". Upon a Change of Control, any options to purchase Stock or shares of restricted Stock held by Employee that are not fully vested at the time of the Change of Control shall immediately accelerate and vest in full, provided that Employee is employed by the Company on the date of the Change in Control.

(c) Conditions to and Timing of Severance Payments. Any obligation of the Company to provide Employee the Severance Payments and the Equity Acceleration is conditioned, however, on Employee's reasonable cooperation in the transition of Employee's duties and Employee's execution and return to the Company of a Severance Agreement and General Release acceptable to the Company which shall include a release of all claims against the Company, all affiliated and related entities, and/or persons deemed necessary by the Company. The Release may also include Confidentiality, Non-Disparagement, No-Reapply, Tax Indemnification, and/or other appropriate terms. Except as otherwise provided by this Agreement, any Severance Payments to which Employee is entitled will be provided in the form of salary continuation, payable in accordance with the normal payroll practices of the Company. Unless otherwise provided by this Agreement, the first payment will be made on the Company's next regular payday following the effective date of the Severance Agreement and General Release; but that first

payment shall include all amounts accrued retroactive to the day following the date Employee's employment terminated.

(d) Benefits Termination. Except as provided in Section 4(b) above or under COBRA, Employee's participation in all employee benefit plans shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of Employee's employment, without regard to any continuation of the Base Salary or other payment to Employee following termination and Employee shall not be eligible to earn vacation or other paid time off following the termination of Employee's employment.

(e) Assistance in Litigation. Employee agrees to reasonably cooperate with the Company, at no cost or expense to Employee, in the defense or prosecution of any claims or actions that relate to events or occurrences that transpired while Employee is or was employed by the Company. Employee's cooperation includes, but is not limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company as requested at mutually convenient times. Employee's cooperation also includes reasonably cooperating with the Company in connection with any investigation or review by any federal, state, or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Employee is or was employed by the Company. In the event Employee's assistance requires more than a de minimis amount of his time, the parties shall agree to a reasonable hourly or per diem compensation amount.

(f) Survival. Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation Employee's obligations under Section 4. The obligation of the Company to make payments to Employee under Section 4, are expressly conditioned upon continued full performance of Employee's obligations under Section 4 hereof. Upon termination by either Employer or the Company, all rights, duties and obligations of Employee and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

5. Timing of Payments and Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time Employee's employment terminates, Employee is a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon Employee's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of a short-term deferral or the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of, or satisfy an exception from treatment as deferred compensation under, Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"). For purposes of this Agreement,

all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(b) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

(c) In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A.

6. Definitions. For purposes of this Agreement, the following definitions apply: "Change of Control" means

(a) The acquisition by any Person (defined for purposes of this definition as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of *Rule* 13d-3 promulgated under the Exchange Act) of 35% or more of the common stock of the Company; provided, however, that for purposes of this subsection (A), an acquisition shall not constitute a Change of Control if it is: (i) either by or directly from the Company, or by an entity controlled by the Company, (ii) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (iii) by an entity pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subsection (b) below; or Individuals who, as of the effective date of this Agreement, constitute the Board (together with the individuals identified in the proviso to this subsection (B), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the effective date of this agreement whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(b) Consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company (a "Transaction"), in each case unless, following such Transaction, (i) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such Transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such Transaction (including, without limitation, an entity that as a result of such Transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to

such Transaction, of the outstanding common stock of the Company, (ii) no Person (excluding any entity or wholly-owned subsidiary of any entity resulting from such Transaction or any Benefit Plan of the Company or such entity or wholly-owned subsidiary of such entity resulting from such Transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (iii) at least a majority of the members of the board of directors or similar board of the entity resulting from such Transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Transaction; or

- (c) Approval by the stockholders of the Company of a liquidation or dissolution of the Company.

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

7. **Conflicting Agreements.** Employee hereby represents and warrants that the signing of this Agreement and the performance of Employee's obligations under it will not breach or be in conflict with any other agreement to which Employee is a party or is bound, and that Employee is not subject to any covenants against competition or similar covenants or any court order that could affect the performance of Employee's obligations under this Agreement. Employee agrees that Employee will not disclose to or use on behalf of the Company any confidential or proprietary information of a third party without that party's consent.

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

9. **Assignment.** Neither Employee 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, the Company may assign its rights and obligations under this Agreement without Employee's consent to one of its subsidiaries or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon Employee and the Company, and each of its respective successors, executors, administrators, heirs and permitted assigns.

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

11. **Miscellaneous.** This Agreement sets forth the entire agreement between Employee and the Company, and replaces all prior and contemporaneous communications, agreements and

understandings, written or oral, with respect to the terms and conditions of Employee's employment, other than the **Confidential Information, Non-Disclosure, Non-Solicitation, Non-Compete, and Rights to Intellectual Property Agreement** dated November 14, 2019, a copy of which is attached as Exhibit A and incorporated herein by reference. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by Employee and an expressly authorized representative of the Board.

12. Notice. Any notice required to, or permitted to, be given under this agreement shall be sufficient if in writing (a) delivered personally, (b) sent by first class certified mail, return receipt requested, postage and fees pre-paid, or (c) sent by prepaid overnight delivery service, to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties in a like notice);

If to Company: EyePoint Pharmaceuticals, Inc.
 110 Allen Road
 Second Floor
 Basking Ridge, NJ 07920
 Attention: Senior Vice President Human Resources

If to Employee: George Elston
 XXX

All notices shall be deemed to have been given upon receipt if delivered personally, or by recognized overnight courier, or five (5) days after mailing if mailed. A copy of all notices shall also be emailed to Employee, which email shall not be the deemed date of receipt.

13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without regard to its conflicts of law provisions. Any claim arising out of, or relating to this Agreement including, without limitation, any action commenced by the Company for preliminary and permanent injunctive relief or other equitable relief, shall be instituted in any federal or state court in the Commonwealth of Massachusetts. Each party agrees not to assert by way of motion, as a defense or otherwise, in any such claim, that such party is not subject personally to the jurisdiction of such court, that the claim is brought in an inconvenient forum, that the venue of the claim is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Each party further irrevocably submits to the exclusive jurisdiction of such court in any such claim.

Any and all service of process and any other notice in any such claim shall be effective against any party if given personally or by registered mail, return receipt requested, mailed to such party as provided herein. Nothing herein contained shall be deemed to affect the right of any party to serve process in any manner permitted by law.

14. Usage. All pronouns and any variations thereof shall be considered to refer to the masculine, feminine or neuter, singular or plural, as the context may require. All terms defined in the Agreement in their singular or plural forms have correlative meanings when used herein in

their singular or plural forms, respectively. Unless otherwise expressly provided the words “include” “includes” and “including” do not limit the preceding words or terms and shall be deemed followed by the words “without limitation.”

15. Headings. The headings in this Agreement are for reference only, and shall not affect the interpretation of this Agreement.

16. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts, together shall constitute one, and the same, instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

EyePoint Pharmaceuticals, Inc.

By: /s/Nancy Lurker
Nancy Lurker George Elston
President & CEO
Date:11/15/19

/s/George Elston

Date:11/13/19
10

EyePoint Pharmaceuticals Appoints George O. Elston as Chief Financial Officer and Head of Corporate Development

- Veteran biopharmaceutical executive with broad experience at global companies brings more than 25 years of finance, partnering and M&A experience to role -

WATERTOWN, MA – November 14, 2018 – EyePoint Pharmaceuticals, Inc. (NASDAQ:EYPT), a specialty biopharmaceutical company committed to developing and commercializing innovative ophthalmic products, today announced the appointment of George O. Elston as Chief Financial Officer and Head of Corporate Development. Mr. Elston has previously been a consultant to the Company and will now transition into this permanent role effective immediately. In this role, Mr. Elston will lead the Company's financial, capital markets, and corporate development initiatives. Mr. Elston brings more than 25 years of diverse financial and senior leadership experience in the biopharmaceutical sector with both global publicly-traded and privately-held organizations.

"EyePoint is delighted to welcome George during this exciting period of momentum for our ongoing commercial launches of DEXYCU® and YUTIQ® in the U.S.," said Nancy Lurker, President and Chief Executive Officer of EyePoint Pharmaceuticals. "George has a proven track record of executing value-creating financial and partnering transactions in the biopharmaceutical sector. His expertise will be greatly beneficial as we continue to build our commercial footprint, while assessing our organic growth and business development pipeline opportunities to expand our ophthalmology reach."

"DEXYCU and YUTIQ have the potential to change the treatment paradigm for these ocular diseases that represent significant areas of unmet need," said Mr. Elston. "I look forward to collaborating with the dedicated EyePoint management team and contributing to the future commercial, clinical and operational growth of the Company."

Mr. Elston most recently served as Chief Financial Officer and Head of Corporate Development at Enzyvant Therapeutics where he helped build the pre-commercial rare disease firm leading to its recent acquisition. He previously was President and Chief Executive Officer at 2X Oncology, Inc., where he advanced the Company from a spin-out into a multi-program, clinical-stage organization. He has also held senior executive roles at Juniper Pharmaceuticals, Inc. KBI Biopharma and Ophtherion, Inc. Mr. Elston began his career in public accounting at PriceWaterhouseCoopers. He earned his B.B.A. in accounting from Pace University and is a Certified Public Accountant. He currently serves as a Trustee and Audit Committee Chairman of the DWS – DBX ETF Trust.

Inducement Grants under Nasdaq Listing Rule 5635(c)(4)

In connection with the hiring of Mr. Elston, the Compensation Committee of EyePoint Pharmaceutical's Board of Directors granted stock options to purchase an aggregate of 745,000 shares of common stock as an inducement award material to Mr. Elston entering into employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4). The stock options have an exercise price equal to the closing price of EyePoint's common stock on November 14, 2019, and will vest as follows: 25% on the first anniversary and monthly through the fourth anniversary of the date of grant, subject to the terms of grant.

About EyePoint Pharmaceuticals

EyePoint Pharmaceuticals, Inc. (www.eyepointpharma.com), headquartered in Watertown, MA, is a specialty biopharmaceutical company committed to developing and commercializing innovative ophthalmic products in indications with high unmet medical need to help improve the lives of patients with serious eye disorders. With the approval by the FDA on October 12, 2018 of the YUTIQ[®] three-year treatment of chronic non-infectious uveitis affecting the posterior segment of the eye, the Company has developed five of the six FDA-approved sustained-release treatments for eye diseases. The most common adverse reactions reported for YUTIQ were cataract development and increases in intraocular pressure. DEXYCU[®] was approved by the FDA on February 9, 2018. DEXYCU, administered as a single intraocular dose at the end of ocular surgery for the treatment of postoperative inflammation, is the first and only FDA-approved intraocular product with this indication. The most common adverse reactions reported by 5-15% of patients were increased intraocular pressure, corneal edema and iritis. DEXYCU employs the Verisome[®] extended-release drug delivery technology, which encompasses a broad number of related, but distinct drug delivery systems with the potential of incorporating an extensive range of active agents, including small molecules, proteins and monoclonal antibodies. ILUVIEN[®] (fluocinolone acetonide intravitreal implant), a micro-insert for diabetic macular edema, licensed to Alimera Sciences, Inc. ("Alimera"), is currently sold directly in the U.S. and several EU countries. Retisert[®] (fluocinolone acetonide intravitreal implant), for non-infectious posterior segment uveitis, is licensed to and sold by Bausch & Lomb, Inc. The Company's pre-clinical development program is focused on using its core Durasert[™] and the Verisome platform technologies to deliver drugs to treat wet age-related macular degeneration, glaucoma, and other diseases. To learn more about the Company, please visit www.eyepointpharma.com and connect on Twitter and LinkedIn.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION ACT OF 1995: Various statements made in this release are forward-looking, and are inherently subject to risks, uncertainties and potentially inaccurate assumptions. All statements that address activities, events or developments that we intend, expect, plan or believe may occur in the future, including but not limited to statements about our commercialization of YUTIQ and DEXYCU, the potential for our products to alter the treatment landscape for ocular diseases; our expectations regarding the regulatory review of our sNDA filing for our YUTIQ line extension shorter-acting treatment for non-infectious uveitis affecting the posterior segment of the eye; the expected use of proceeds from our debt refinancing and equity offering and our expectation that the Company's existing cash and cash equivalents at September 30, 2019 and cash inflows from anticipated YUTIQ and DEXYCU product sales will be sufficient to fund our operating plan into 2020, are forward-looking statements. Some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements are risks and uncertainties inherent in our business including, without limitation: our ability to achieve profitable operations and access to needed capital; fluctuations in our operating results; our ability to successfully produce sufficient commercial quantities of YUTIQ and DEXYCU and to successfully commercialize YUTIQ and DEXYCU in the U.S.; our ability to sustain and enhance an effective commercial infrastructure and enter into and maintain commercial agreements for YUTIQ and DEXYCU; the regulatory approval and successful release of our YUTIQ line extension shorter-duration treatment for non-infectious uveitis affecting the posterior segment of the eye; potential off-label sales of ILUVIEN for non-infectious uveitis affecting the posterior segment of the eye; consequences of fluocinolone acetonide side effects for YUTIQ; consequences of dexamethasone side effects for DEXYCU; successful commercialization of, and receipt of revenues from, ILUVIEN for diabetic macular edema, or DME; Alimera's ability to obtain additional marketing approvals and the effect of pricing and reimbursement decisions on sales of ILUVIEN for DME; Alimera's ability to commercialize ILUVIEN for non-infectious uveitis affecting the posterior segment of the eye in the territories in which Alimera is licensed

to do so; declines in Retisert royalties; our ability to market and sell products; the success of current and future license agreements; termination or breach of current license agreements; our dependence on contract research organizations, contract sales organizations, vendors and investigators; effects of competition and other developments affecting sales of products; market acceptance of products; effects of guidelines, recommendations and studies; protection of intellectual property and avoiding intellectual property infringement; retention of key personnel; product liability; industry consolidation; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; volatility of stock price; possible dilution; absence of dividends; and other factors described in our filings with the Securities and Exchange Commission. We cannot guarantee that the results and other expectations expressed, anticipated or implied in any forward-looking statement will be realized. A variety of factors, including these risks, could cause our actual results and other expectations to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the forward-looking statements. You should bear this in mind as you consider any forward-looking statements. Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

Contacts

Investors:

Argot Partners
Kimberly Minarovich or Joe Rayne
212-600-1902
eyepoint@argotpartners.com

Media:

Thomas Gibson
(201) 476-0322
tom@tomgibsoncommunications.com