

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): **December 6, 2021**

**Dermata Therapeutics, Inc.**

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation)	<u>001-40739</u> (Commission File Number)	<u>86-3218736</u> (I.R.S. Employer Identification No.)
--	---	--

**3525 Del Mar Heights Rd., #322**  
**San Diego, CA 92130**  
(Address of principal executive offices, including zip code)

**(858) 800-2543**  
(Registrant's telephone number, including area code)

N/A  
(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:

<u>Title of Each Class:</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on which Registered</u>
Common Stock, par value \$0.0001 per share	DRMA	The Nasdaq Capital Market
Warrants, exercisable for one share of Common Stock	DRMAW	The Nasdaq Capital Market

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.**

**Employment Agreements**

On December 6, 2021, Dermata Therapeutics, Inc. (the “Company”) entered into employment agreements with each of Gerald T. Proehl, the Company’s President and Chief Executive Officer (the “Proehl Agreement”); Kyri Van Hoose, the Company’s Chief Financial Officer (the “Van Hoose Agreement”); and Maria Bedoya Toro Munera, the Company’s Senior Vice President, Regulatory Affairs and Quality Assurance (the “Munera Agreement”). The Company also entered into a first amendment to the employment agreement with Christopher Nardo, the Company’s Senior Vice President, Development (the “Nardo Amendment,” and collectively with the Proehl Agreement, the Van Hoose Agreement and the Munera Agreement, the “Employment Agreements”).

*Proehl Agreement*

Under the terms of the Proehl Agreement, Mr. Proehl will hold the position of President and Chief Executive Officer and receive a base salary of \$350,000 annually. In addition, Mr. Proehl will be eligible to receive an annual bonus, with a target amount equal to 50% of Mr. Proehl’s base salary. The actual amount of each annual bonus will be based upon the level of achievement of certain of the Company’s corporate objectives and Mr. Proehl’s individual objectives, in each case, as established by the Company and Mr. Proehl for the calendar year with respect to which the annual bonus relates. The determination of the level of achievement of the corporate objectives and Mr. Proehl’s individual performance objectives for a year shall be made by the Company in its reasonable discretion. In addition, Mr. Proehl is eligible to receive, from time to time, equity awards under the Company’s existing equity incentive plan, or any other equity incentive plan the Company may adopt in the future, and the terms and conditions of such awards, if any, will be determined by the Company’s board of directors or Compensation Committee, in their discretion. Mr. Proehl will also be eligible to participate in any executive benefit plan or program the Company adopts.

The Company may terminate Mr. Proehl’s employment at any time without Cause (as that term is defined in the Proehl Agreement) upon four weeks prior written notice to Mr. Proehl. Mr. Proehl may terminate his employment for Good Reason (as that term is defined in the Proehl Agreement) upon 60 days written notice to the Company.

If Mr. Proehl’s employment is terminated without Cause or for Good Reason, Mr. Proehl will be entitled to receive (i) his earned but unpaid base salary through the final day of his employment, (ii) expenses reimbursable under the Proehl Agreement incurred on or prior to the last day of his employment, (iii) any amounts or benefits that are vested amounts or benefits that Mr. Proehl is entitled to receive under any of the Company’s equity compensation plans (clauses (i) through (iii) collectively, the “Accrued Obligations”), (iv) severance payments equal to 12 months of Mr. Proehl’s base salary (to be paid in a lump sum on the next regular payroll date within 60 days of Mr. Proehl’s termination), (v) a pro-rated payment equal to the annual bonus the Board determines is due, and (vi) if elected, the Company will reimburse Mr. Proehl for certain COBRA health benefits for 12 months.

Notwithstanding the above, if Mr. Proehl's employment is terminated without Cause or he resigns for Good Reason either within three months immediately preceding or within one year after a Change of Control (as defined in the Company's 2021 Omnibus Incentive Plan), Mr. Proehl will receive (i) the Accrued Obligations, (ii) severance payments equal to 18 months of Mr. Proehl's base salary (to be paid in a lump sum on the next regular payroll date within 60 days of Mr. Proehl's termination), (iii) the targeted annual bonus amount the Board determines is due to Mr. Proehl, (iv) if elected, the Company will reimburse Mr. Proehl for certain COBRA health benefits for 18 months, and (v) Mr. Proehl will be deemed to be fully vested in all of his outstanding equity awards as of the date of his termination.

If Mr. Proehl's employment is terminated with Cause or without Good Reason, he will be entitled to receive (i) his earned but unpaid base salary through the final day of his employment, (ii) expenses reimbursable under the employment agreement incurred on or prior to the last day of his employment, and (iii) any amounts or benefits that are vested amounts or benefits that Mr. Proehl is entitled to receive under any of the Company's equity compensation plans.

The Company may terminate Mr. Proehl's employment at any time for Cause upon written notice to Mr. Proehl. Mr. Proehl may voluntarily terminate his employment at any time without Good Reason upon four weeks prior written notice.

#### *Van Hoose Agreement*

As previously disclosed, on September 1, 2021, the Board appointed Kyri Van Hoose as the Company's Senior Vice President, Chief Financial Officer. On December 6, 2021, the Company entered into the Van Hoose Agreement.

Under the terms of the Van Hoose Agreement, Ms. Van Hoose will hold the position of Senior Vice President, Chief Financial Officer and receive a base salary of \$270,000 annually. In addition, Ms. Van Hoose will be eligible to receive an annual bonus, with a target amount equal to 40% of Ms. Van Hoose's base salary. The actual amount of each annual bonus will be based upon the level of achievement of certain of the Company's corporate objectives and Ms. Van Hoose's individual objectives, in each case, as established by the Company and Ms. Van Hoose for the calendar year with respect to which the annual bonus relates. The determination of the level of achievement of the corporate objectives and Ms. Van Hoose's individual performance objectives for a year shall be made by the Company in its reasonable discretion. In addition, Ms. Van Hoose is eligible to receive, from time to time, equity awards under the Company's existing equity incentive plan, or any other equity incentive plan the Company may adopt in the future, and the terms and conditions of such awards, if any, will be determined by the Company's board of directors or Compensation Committee, in their discretion. Ms. Van Hoose will also be eligible to participate in any executive benefit plan or program the Company adopts.

The Company may terminate Ms. Van Hoose's employment at any time without Cause (as that term is defined in the Van Hoose Agreement) upon four weeks prior written notice to Ms. Van Hoose. Ms. Van Hoose may terminate her employment for Good Reason (as that term is defined in the Van Hoose Agreement) upon 60 days written notice to the Company.

If Ms. Van Hoose's employment is terminated without Cause or for Good Reason, Ms. Van Hoose will be entitled to receive (i) the Accrued Obligations, (iv) severance payments equal to nine months of Ms. Van Hoose's base salary (to be paid in a lump sum on the next regular payroll date within 60 days of Ms. Van Hoose's termination), (v) the targeted annual bonus amount the Company's board of directors (the "Board") determines is due to Ms. Van Hoose, and (vi) if elected, the Company will reimburse Ms. Van Hoose for certain COBRA health benefits for nine months.

Notwithstanding the above, if Ms. Van Hoose's employment is terminated without Cause or she resigns for Good Reason either within three months immediately preceding or within one year after a Change of Control (as defined in the Company's 2021 Omnibus Incentive Plan), Ms. Van Hoose will receive (i) the Accrued Obligations, (ii) severance payments equal to 12 months of Ms. Van Hoose's base salary (to be paid in a lump sum on the next regular payroll date within 60 days of Ms. Van Hoose's termination), (iii) the targeted annual bonus amount the Board determines is due to Ms. Van Hoose, (iv) if elected, the Company will reimburse Ms. Van Hoose for certain COBRA health benefits for 12 months, and (v) Ms. Van Hoose will be deemed to be fully vested in all of her outstanding equity awards as of the date of her termination.

If Ms. Van Hoose's employment is terminated with Cause or without Good Reason, he will be entitled to receive (i) her earned but unpaid base salary through the final day of her employment, (ii) expenses reimbursable under the employment agreement incurred on or prior to the last day of her employment, and (iii) any amounts or benefits that are vested amounts or benefits that Ms. Van Hoose is entitled to receive under any of the Company's equity compensation plans.

The Company may terminate Ms. Van Hoose's employment at any time for Cause upon written notice to Ms. Van Hoose. Ms. Van Hoose may voluntarily terminate her employment at any time without Good Reason upon two weeks prior written notice.

#### *Munera Agreement*

The terms of the Munera Agreement are identical to the terms of the Van Hoose Agreement but for the following differences: (i) Ms. Munera will serve as the Company's Senior Vice President, Regulatory Affairs and Quality Assurance, and (ii) Ms. Munera will receive a base salary of \$150,000 annually.

#### *Nardo Amendment*

On August 17, 2021, the Company executed an Employment Agreement with Dr. Nardo (the "Nardo Agreement"). A form of the Nardo Agreement was filed as Exhibit 10.6 to the Company's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on August 6, 2021. On December 6, 2021, the Company entered into the Nardo Amendment, whereby if Dr. Nardo's employment is terminated without Cause or for Good Reason, Dr. Nardo will be entitled to receive (i) the Accrued Obligations, (iv) severance payments equal to nine months of Dr. Nardo's base salary (to be paid in a lump sum on the next regular payroll date within 60 days of Dr. Nardo's termination), (v) the targeted annual bonus amount the Board determines is due to Dr. Nardo, and (vi) if elected, the Company will reimburse Dr. Nardo for certain COBRA health benefits for nine months.

Notwithstanding the above, if Dr. Nardo's employment is terminated without Cause or he resigns for Good Reason either within three months immediately preceding or within one year after a Change of Control (as defined in the Company's 2021 Omnibus Incentive Plan), Dr. Nardo will receive (i) the Accrued Obligations, (ii) severance payments equal to 12 months of Dr. Nardo's base salary (to be paid in a lump sum on the next regular payroll date within 60 days of Dr. Nardo's termination), (iii) the targeted annual bonus amount the Board determines is due to Dr. Nardo, (iv) if elected, the Company will reimburse Dr. Nardo for certain COBRA health benefits for 12 months, and (v) Dr. Nardo will be deemed to be fully vested in all of his outstanding equity awards as of the date of his termination.

The foregoing descriptions of the Employment Agreements do not purport to be complete and are qualified in their entireties by reference to the complete text of each Employment Agreement, each of which are filed herewith as Exhibits 10.1 through 10.4, and are incorporated herein by reference into this Item 5.02.

#### **Director Compensation**

On December 6, 2021, the Board approved changes to the compensation paid to members of the Board's nominating and corporate governance committee (the "Nominating Committee"). Pursuant to the changes, the Chairman of the Nominating Committee will receive an annual cash retainer of \$8,000 (up from \$7,500) and each non-chair member of the Nominating Committee will receive annual cash retainers of \$4,000 (up from \$3,750). All fees will be paid in equal quarterly installments. Compensation for members of the other committees of the Board remain unchanged.

Further, the Board approved a policy whereby each member of the Board may elect each year to receive all, 50% or none of his or her cash retainer fees for the next 12 months in restricted stock units, with any restricted stock units being issued in equal quarterly installments. The Board also approved the form of restricted stock unit award agreement, which is included as Exhibit 10.5 to this Current Report on Form 8-K, and is incorporated by reference into this Item 5.02.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.1</a>	<a href="#">Employment Agreement by and between Dermata Therapeutics, Inc. and Gerald T. Proehl dated December 6, 2021.</a>
<a href="#">10.2</a>	<a href="#">Employment Agreement by and between Dermata Therapeutics, Inc. and Kyri Van Hoose dated December 6, 2021.</a>
<a href="#">10.3</a>	<a href="#">Employment Agreement by and between Dermata Therapeutics, Inc. and Maria Bedoya Toro Munera dated December 6, 2021.</a>
<a href="#">10.4</a>	<a href="#">Amendment dated December 6, 2021 to the Employment Agreement by and between Dermata Therapeutics, Inc. and Christopher J. Nardo dated August 17, 2021.</a>
<a href="#">10.5</a>	<a href="#">Form of Restricted Stock Unit Award Agreement.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**Signature**

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

**DERMATA THERAPEUTICS, INC.**

Dated: December 10, 2021

By: /s/ Gerald T. Proehl  
Gerald T. Proehl  
Chief Executive Officer

## EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”), effective December 6, 2021 (the “Effective Date”), is by and between DERMATA THERAPEUTICS, INC., a Delaware corporation (the “Company”) and Gerry Proehl (the “Executive”).

### W I T N E S S E T H

**WHEREAS**, the Company desires to continue to employ the Executive as its President and Chief Executive Officer, and the Executive desires to accept such employment, on the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Company and the Executive have mutually agreed that, as of the Effective Date, this Agreement shall govern the terms of employment between the Executive and the Company;

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

#### ARTICLE 1

##### EMPLOYMENT; TERM OF AGREEMENT

**Section 1.1. Employment and Acceptance.** During the Term (as defined in **Section 1.2**), the Company shall employ the Executive, and the Executive shall accept such employment and serve the Company, in each case, subject to the terms and conditions of this Agreement.

**Section 1.2. Term.** The employment relationship hereunder shall be for the period commencing on the Effective Date until terminated by either party as provided in ARTICLE 4 (the “Term”). In the event that the Executive’s employment with the Company terminates, the Company’s obligation to continue to pay, after the Termination Date, Base Salary, Annual Bonus, and other unaccrued benefits shall terminate, except as may be provided for in **ARTICLE 4**.

#### ARTICLE 2

##### TITLE, DUTIES AND OBLIGATIONS; LOCATION

**Section 2.1. Title.** The Company shall employ the Executive to render full-time services to the Company on the terms and conditions hereinafter set forth. The Executive shall serve in the capacity of President and Chief Executive Officer.

**Section 2.2. Duties.** The Executive shall report to the Company’s Board of Directors (the “Board”). The Executive agrees to perform to the best of his ability, experience and talent those acts and duties, consistent with his position as President and Chief Executive Officer from time to time as the Company may lawfully direct. During the Term, the Executive also shall serve in such other positions or capacities as may, from time to time, be requested by the Company or any of its Affiliates.





Section 2.3. Compliance with Policies, etc. During the Term, the Executive shall be bound by, and comply fully with, all of the Company's written policies and procedures for employees and officers in place from time to time, including, but not limited to, all terms and conditions set forth in the Company's employee handbook, compliance manual, codes of conduct and any other memoranda and communications applicable to the Executive pertaining to the policies, procedures, rules and regulations, as currently in effect and as may be amended from time to time and provided to the Executive in writing. These policies and procedures include, among other things and without limitation, the Executive's obligations to comply with the Company's rules regarding confidential and proprietary information and trade secrets.

Section 2.4. Time Commitment. During the Term, the Executive shall use his best efforts to promote the interests of the Company (including its subsidiaries and other Affiliates) and shall devote all of his business time, ability and attention to the performance of his duties for the Company and shall not, directly or indirectly, render any services to any other person or organization, whether for compensation or otherwise, except with the Company's prior written consent, except that, without such written consent, the Executive may (i) participate in charitable, civic, educational, professional, community or industry affairs; and (ii) manage the Executive's passive personal investments. As used in this Agreement, "Affiliate" of any individual or entity means any other individual or entity that directly or individual controls, is controlled by, or is under common control with, the individual or entity. Notwithstanding the above, the Company is aware that Executive is engaged in those Activities listed in Exhibit A (if any) and consents to his continued participation in such activities and other non-commercial activities that do not interfere with Executive's duties hereunder.

Section 2.5. Location. The Executive's principal place of business for the performance of his duties under this Agreement shall be in San Diego, California or such other place as permitted by the Company. Notwithstanding the foregoing, the Executive shall be required to travel as necessary to perform his duties hereunder.

### ARTICLE 3 COMPENSATION AND BENEFITS; EXPENSES

Section 3.1. Compensation and Benefits. For all services rendered by the Executive in any capacity during the Term (including, without limitation, serving as an officer, director or member of any committee of the Company or any of its subsidiaries or other Affiliates), the Executive shall be compensated as follows (subject, in each case, to the provisions of ARTICLE 4 below):

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of \$350,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time. The Executive's Base salary shall be subject to periodic review and adjustment as the Company shall in its discretion deem appropriate.

(b) Annual Bonus. For each calendar year ending during the Term, the Executive shall be eligible to receive an annual bonus (the "Annual Bonus") with a target amount

equal to fifty percent (50%) of the Base Salary earned by the Executive for such calendar year (the "Target Annual Bonus"). The actual amount of each Annual Bonus will be based upon the level of achievement of the Company's corporate objectives and the Executive's individual objectives, in each case, as established by the Company and the Executive for the calendar year with respect to which such Annual Bonus relates. The determination of the level of achievement of the corporate objectives and the Executive's individual performance objectives for a year shall be made by the Company in its reasonable discretion. Each Annual Bonus for a calendar year, to the extent earned, will be paid in a lump sum in the following calendar year, within the first 75 days of such following year. Unless otherwise set forth herein, the Annual Bonus shall not be deemed earned until the date that it is paid. Accordingly, except as otherwise provided herein, in order for the Executive to receive an Annual Bonus, the Executive must be actively employed in good standing by the Company at the time of such payment for such Annual Bonus to be due and payable.

(c) Equity Compensation. The Executive shall be eligible to receive equity compensation from time to time as provided under separate cover.

(d) Benefit Plans. The Executive shall be entitled to participate in all employee benefit plans and programs (excluding severance plans, if any) generally made available by the Company to senior executives of the Company, to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. The Company may amend, modify or rescind any employee benefit plan or program and/or change employee contribution amounts to benefit costs in its discretion.

(e) Paid Vacation. The Executive shall be eligible to take paid vacation days in accordance with the Company's vacation policies in effect from time to time for its executive team.

Section 3.2. Expense Reimbursement. The Company shall reimburse the Executive during the Term, in accordance with the Company's expense reimbursement policies in place from time to time, for all reasonable out-of-pocket business and travel expenses incurred by the Executive in the performance of his duties hereunder. In order to receive such reimbursement, the Executive shall furnish to the Company documentary evidence of each such expense in the form required to comply with the Company's policies in place from time to time.

#### ARTICLE 4 TERMINATION OF EMPLOYMENT

##### Section 4.1. Termination Without Cause; Resignation for Good Reason

(a) The Company may terminate the Executive's employment hereunder at any time without Cause (other than by reason of death or Disability) upon four weeks prior written notice to the Executive. The Executive may terminate his employment hereunder for Good Reason upon written notice to the Company in accordance with the provisions set forth in Section 4.1(c).

(b) As used in this Agreement, "Cause" means: (i) a material act, or act of fraud, committed by the Executive that is intended to result in the Executive's personal enrichment to the detriment or at the expense of the Company or any of its Affiliates; (ii) the Executive is convicted of a felony; (iii) gross negligence or willful misconduct by the Executive, or failure by the

Executive to perform the duties or obligations reasonably assigned to the Executive from time to time, which is not cured upon at least thirty (30) days prior written notice (unless such negligence, misconduct or failure is not susceptible to cure, as determined in the Company's reasonable discretion ); or (iv) the Executive violates this Agreement or the Proprietary Information and Inventions Agreement ("PIIA") (as defined in Section 5.1 below).

(c) As used in this Agreement, "Good Reason" means the occurrence of any of the following: (1) a material breach by the Company of the terms of this Agreement; (2) a material reduction in the Executive's Base Salary (other than pursuant to a reduction uniformly applicable to all senior executives of the Company); or (3) a material diminution or change in the Executive's title, authority, duties or responsibilities; provided, however, that the Executive must notify the Company within sixty (60) days of the occurrence of any of the foregoing conditions that he considers it to be a "Good Reason" condition and provide the Company with at least thirty (30) days in which to cure the condition. If the Executive fails to provide this notice and cure period prior to his resignation, or resigns more than six (6) months after the initial existence of the condition, his resignation will not be deemed to be for "Good Reason."

(d) If the Executive's employment is terminated without Cause or for Good Reason, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations (as defined in Section 4.2(b));

(ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to twelve (12) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) a pro-rated payment equal to the Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; and (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive's COBRA health insurance premium that it paid during the Executive's employment for twelve (12) months.

(e) (e) Notwithstanding Section 4.1(d), if the Executive's employment is terminated without Cause (and other than due to Executive's death or disability) or the Executive resigns for Good Reason either three months immediately preceding or within one year after a Change of Control (as defined in the Company's 2021 Omnibus Equity Incentive Plan), the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations (as defined in Section 4.2(b));

(ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to eighteen (18) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) the targeted Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive's COBRA health insurance premium that it paid during the Executive's employment for eighteen (18) months and the Company shall provide an additional supplement for the Executive's alternate health insurance coverage for an additional six (6) months; and (D) Executive shall be deemed to have fully vested in any options or other equity awards granted to Executive that are outstanding as of the Executive's Termination Date.

Section 4.2. Termination for Cause; Voluntary Termination without Good Reason.

(a) The Company may terminate the Executive's employment hereunder at any time for Cause upon written notice to the Executive. The Executive may voluntarily terminate his employment hereunder at any time without Good Reason upon four weeks prior written notice to the Company; provided, however, the Company reserves the right, upon written notice to the Executive, to accept the Executive's notice of resignation and to accelerate such notice and make the Executive's resignation effective immediately, or on such other date prior to Executive's intended last day of work as the Company deems appropriate; provided the Company pays Executive for the full notice period. It is understood and agreed that the Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by the Company without Cause for purposes of Section 4.1 of this Agreement or otherwise or constitute Good Reason (as defined in Section 4.1) for purposes of Section 4.1 of this Agreement or otherwise.

(b) If the Executive's employment is terminated with Cause or without Good Reason, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation under this Agreement or otherwise shall be to pay or provide to the Executive, the following (collectively, the "Accrued Obligations"):

(i) the Executive's earned, but unpaid, Base Salary through the final date of the Executive's employment by the Company (the "Termination Date"), payable in accordance with the Company's standard payroll practices;

(ii) expenses reimbursable under Section 3.2 above incurred on or prior to the Termination Date but not yet reimbursed; and

(iii) any amounts or benefits that are vested amounts or vested benefits or that the Executive is otherwise entitled to receive under any Company plan, program, policy or practice (with the exception of those, if any, relating to

severance) on the Termination Date, in accordance with such plan, program, policy, or practice.

Section 4.3. Termination Resulting from Death or Disability.

(a) As the result of any Disability suffered by the Executive, the Company may, upon five (5) days prior notice to the Executive, terminate the Executive's employment under this Agreement. The Executive's employment shall automatically terminate upon his death.

(b) "Disability" means a determination by the Company in accordance with applicable law that as a result of a physical or mental injury or illness, the Executive is unable to perform the essential functions of his job with or without reasonable accommodation for a period of (i) ninety-one (91) consecutive days; or (ii) one hundred twenty (120) days during any twelve (12) month period.

(c) If the Executive's employment is terminated pursuant to Disability, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations; and

(ii) subject to Section 4.4 and Section 4.5, severance payments equal to six (6) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in equal installments in accordance with the Company's regular payroll practices, commencing on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date.

Section 4.4. Release Agreement. In order to receive any severance payments, the Executive must timely execute, deliver (and not revoke) a separation agreement and general release (the "Release Agreement") in a form reasonably satisfactory to the Company. If the Executive is eligible for severance, the Company will deliver the Release Agreement to the Executive within seven (7) calendar days following the Termination Date. The severance is subject to the Executive's execution and delivery of such Release Agreement within 21 days [or 45 days in the case of a group layoff] of the Executive's receipt of the Release Agreement and the Executive's non-revocation of such Release Agreement in accordance with applicable law.

Section 4.5. Post-Termination Breach. Notwithstanding anything to the contrary contained in this Agreement, the Company's obligations to provide any severance payments will immediately cease if the Executive breaches any of the provisions of the PIIA, the Release Agreement or any other agreement the Executive has with the Company.

ARTICLE 5  
GENERAL PROVISIONS

Section 5.1. Proprietary Information and Inventions Agreement. The Executive reaffirms the PIIA he previously signed on or about June 18, 2015. The PIIA shall survive the termination of this Agreement and the Executive's employment by the Company for the applicable period(s) set forth therein.

Section 5.2. Expenses. Each of the Company and the Executive shall bear its/his own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

Section 5.3. Entire Agreement. This Agreement and the PIIA contain the entire agreement of the parties hereto with respect to the terms and conditions of the Executive's employment during the Term and activities following termination of this Agreement and the Executive's employment with the Company and supersede any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to the subject matter of this Agreement and the PIIA. Each party hereto acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein or in the PIIA. The Executive acknowledges and agrees that the Company has fully satisfied, and has no further, obligations to the Executive arising under, or relating to, any other employment or consulting arrangement or understanding (including, without limitation, any claims for compensation or benefits of any kind) or otherwise. No agreement, promise or statement not contained in this Agreement or the PIIA shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

Section 5.4. No Other Contracts. The Executive represents and warrants to the Company that neither the execution and delivery of this Agreement by the Executive nor the performance by the Executive of the Executive's obligations hereunder, shall constitute a default under or a breach of the terms of any other agreement, contract or other arrangement, whether written or oral, to which the Executive is a party or by which the Executive is bound, nor shall the execution and delivery of this Agreement by the Executive nor the performance by the Executive of his duties and obligations hereunder give rise to any claim or charge against either the Executive, the Company or any Affiliate, based upon any other contract or other arrangement, whether written or oral, to which the Executive is a party or by which the Executive is bound. The Executive further represents and warrants to the Company that he is not a party to or subject to any restrictive covenants, legal restrictions or other agreement, contract or arrangement, whether written or oral, in favor of any entity or person which would in any way preclude, inhibit, impair or limit the Executive's ability to perform his obligations under this Agreement or the PIIA, including, but not limited to, non-competition agreements, non-solicitation agreements or confidentiality agreements. The Executive shall defend, indemnify and hold the Company harmless from and against all claims, actions, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and amounts paid in settlement in good faith) arising from or relating to any breach of the representations and warranties made by the Executive in this Section 5.4.

Section 5.5. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt

by the other party, and in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

**If to the Company, to:**

Dermata Therapeutics, INC.  
3525 Del Mar Heights Road, #322  
San Diego, CA 92130

**With a copy to:**

Lowenstein Sandler LLP  
1251 Avenue of the Americas  
New York, New York 10020  
Attn: Michael J. Lerner, Esq., [mlerner@lowenstein.com](mailto:mlerner@lowenstein.com)

**If to the Executive, to:**

Gerry Proehl

Any person named above may designate another or an additional notification address and contact person by giving notice in accordance with this Section to the other persons named above.

Section 5.6. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without regard to principles of conflicts of law. Any and all actions arising out of this Agreement or the Executive's employment by Company or termination therefrom shall be brought and heard in the state and federal courts of the State of California and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of any such courts. THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.

Section 5.7. Waiver. Either party hereto may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

Section 5.8. Severability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which

shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

Section 5.9. Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

Section 5.10. Advice of Counsel. This Agreement was prepared by Lowenstein Sandler LLP in its capacity as legal counsel to the Company. Both parties hereto acknowledge that they have had the opportunity to seek and obtain the advice of counsel before entering into this Agreement and have done so to the extent desired, and have fully read the Agreement and understand the meaning and import of all the terms hereof.

Section 5.11. Assignment. This Agreement shall inure to the benefit of the Company and its successors and assigns (including, without limitation, the purchaser of all or substantially all of its assets) and shall be binding upon the Company and its successors and assigns. This Agreement is personal to the Executive, and the Executive shall not assign or delegate his rights or duties under this Agreement, and any such assignment or delegation shall be null and void.

Section 5.12. Agreement to Take Actions. Each party to this Agreement shall execute and deliver such documents, certificates, agreements and other instruments, and shall take all other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement.

Section 5.13. No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect; provided, however, that nothing in this Section 5.13 or Section 5.11 shall preclude the assumption of such rights by executors, administrators or other legal representatives of the Executive or the Executive's estate and their assigning any rights hereunder to the person or persons entitled thereto.

Section 5.14. Source of Payment. Except as otherwise provided under the terms of any applicable employee benefit plan, all payments provided for under this Agreement shall be paid in cash from the general funds of Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise



be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Executive or any other person. To the extent that any person acquires a right to receive payments from the Company hereunder, such right, without prejudice to rights which employees may have, shall be no greater than the right of an unsecured creditor of the Company. The Executive shall not look to the owners of the Company for the satisfaction of any obligations of the Company under this Agreement.

Section 5.15. Tax Withholding. The Company or other payor is authorized to withhold from any benefit provided or payment due hereunder, the amount of withholding taxes due any federal, state or local authority in respect of such benefit or payment and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding taxes. The Executive will be solely responsible for all taxes assessed against him under applicable law with respect to the compensation and benefits described in this Agreement, other than typical employer-paid taxes such as FICA, and the Company makes no representations as to the tax treatment of such compensation and benefits.

Section 5.16. 409A Compliance. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder (“Section 409A”). As used in this Agreement, the “Code” means the Internal Revenue Code of 1986, as amended. To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an “additional tax” under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an “additional tax” within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to “specified employees,” any payment on account of the Executive’s separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the Termination Date and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive’s lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange

for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of Section 4.1 unless the Executive would be considered to have incurred a “termination of employment” from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

Section 5.17. Recoupment of Erroneously Awarded Compensation. Any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation, stock exchange listing requirement or any clawback policy adopted by the Company from time to time before the date of the award of the incentive based or other compensation will be subject to the deductions and clawback as may be required by such law, government regulation, stock exchange listing requirement or clawback policy. In addition, if the Executive is or becomes an executive officer subject to the incentive compensation repayment requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), then if required by the Dodd-Frank Act or any of its regulations he/she will enter into an amendment to this Agreement or a separate written agreement with the Company to comply with the Dodd-Frank Act and any of its regulations.

*[Signature Page Follows]*

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

**COMPANY**

DERMATA THERAPEUTICS, INC.

By: /s/ David Hale

Name: David Hale

Title: Lead Director

**EXECUTIVE**

/s/ Gerry Proehl

Gerry Proehl

Exhibit A



## EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”), effective December 6, 2021 (the “Effective Date”), is by and between DERMATA THERAPEUTICS, INC., a Delaware corporation (the “Company”) and Kyri Van Hoose (the “Executive”).

### WITNESSETH

**WHEREAS**, the Company desires to employ the Executive as its Senior Vice President, Chief Financial Officer and an officer of the Company, and the Executive desires to accept such employment, on the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Company and the Executive have mutually agreed that, as of the Effective Date, this Agreement shall govern the terms of employment between the Executive and the Company;

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

#### ARTICLE 1

##### EMPLOYMENT; TERM OF AGREEMENT

**Section 1.1. Employment and Acceptance.** During the Term (as defined in **Section 1.2**), the Company shall employ the Executive, and the Executive shall accept such employment and serve the Company, in each case, subject to the terms and conditions of this Agreement.

**Section 1.2. Term.** The employment relationship hereunder shall be for the period commencing on the Effective Date until terminated by either party as provided in ARTICLE 4 (the “Term”). In the event that the Executive’s employment with the Company terminates, the Company’s obligation to continue to pay, after the Termination Date, Base Salary, Annual Bonus, and other unaccrued benefits shall terminate, except as may be provided for in **ARTICLE 4**.

#### ARTICLE 2

##### TITLE, DUTIES AND OBLIGATIONS; LOCATION

**Section 2.1. Title.** The Company shall employ the Executive to render full-time services to the Company on the terms and conditions hereinafter set forth. The Executive shall serve in the capacity of Senior Vice President, Chief Financial Officer and as an officer of the Corporation.

**Section 2.2. Duties.** The Executive shall report to the Company’s Chief Executive Officer. The Executive agrees to perform to the best of their ability, experience and talent those acts and duties, consistent with their position as Senior Vice President, Chief Financial Officer from time to time as the Company may lawfully direct. During the Term, the Executive



also shall serve in such other positions or capacities as may, from time to time, be requested by the Company or any of its Affiliates.

Section 2.3. Compliance with Policies, etc. During the Term, the Executive shall be bound by, and comply fully with, all of the Company's written policies and procedures for employees and officers in place from time to time, including, but not limited to, all terms and conditions set forth in the Company's employee handbook, compliance manual, codes of conduct and any other memoranda and communications applicable to the Executive pertaining to the policies, procedures, rules and regulations, as currently in effect and as may be amended from time to time and provided to the Executive in writing. These policies and procedures include, among other things and without limitation, the Executive's obligations to comply with the Company's rules regarding confidential and proprietary information and trade secrets.

Section 2.4. Time Commitment. During the Term, the Executive shall use their best efforts to promote the interests of the Company (including its subsidiaries and other Affiliates) and shall devote all of their business time, ability and attention to the performance of their duties for the Company and shall not, directly or indirectly, render any services to any other person or organization, whether for compensation or otherwise, except with the Company's prior written consent, except that, without such written consent, the Executive may (i) participate in charitable, civic, educational, professional, community or industry affairs; and (ii) manage the Executive's passive personal investments. As used in this Agreement, "Affiliate" of any individual or entity means any other individual or entity that directly or individual controls, is controlled by, or is under common control with, the individual or entity. Notwithstanding the above, the Company is aware that Executive is engaged in those Activities listed in Exhibit A (if any) and consents to their continued participation in such activities and other non-commercial activities that do not interfere with Executive's duties hereunder.

Section 2.5. Location. The Executive's principal place of business for the performance of their duties under this Agreement shall be in San Diego, California or such other place as permitted by the Company. Notwithstanding the foregoing, the Executive shall be required to travel as necessary to perform their duties hereunder.

### ARTICLE 3 COMPENSATION AND BENEFITS; EXPENSES

Section 3.1. Compensation and Benefits. For all services rendered by the Executive in any capacity during the Term (including, without limitation, serving as an officer, director or member of any committee of the Company or any of its subsidiaries or other Affiliates), the Executive shall be compensated as follows (subject, in each case, to the provisions of ARTICLE 4 below):

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of \$270,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time. The Executive's Base salary shall be subject to periodic review and adjustment as the Company shall in its discretion deem appropriate.



(b) Annual Bonus. For each calendar year ending during the Term, the Executive shall be eligible to receive an annual bonus (the "Annual Bonus") with a target amount equal to forty percent (40%) of the Base Salary earned by the Executive for such calendar year (the "Target Annual Bonus"). The actual amount of each Annual Bonus will be based upon the level of achievement of the Company's corporate objectives and the Executive's individual objectives, in each case, as established by the Company and the Executive for the calendar year with respect to which such Annual Bonus relates. The determination of the level of achievement of the corporate objectives and the Executive's individual performance objectives for a year shall be made by the Company in its reasonable discretion. Each Annual Bonus for a calendar year, to the extent earned, will be paid in a lump sum in the following calendar year, within the first 75 days of such following year. Unless otherwise set forth herein, the Annual Bonus shall not be deemed earned until the date that it is paid. Accordingly, except as otherwise provided herein, in order for the Executive to receive an Annual Bonus, the Executive must be actively employed in good standing by the Company at the time of such payment for such Annual Bonus to be due and payable.

(c) Equity Compensation. The Executive shall be eligible to receive equity compensation from time to time as provided under separate cover.

(d) Benefit Plans. The Executive shall be entitled to participate in all employee benefit plans and programs (excluding severance plans, if any) generally made available by the Company to senior executives of the Company, to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. The Company may amend, modify or rescind any employee benefit plan or program and/or change employee contribution amounts to benefit costs in its discretion.

(e) Paid Vacation. The Executive shall be eligible to take paid vacation days in accordance with the Company's vacation policies in effect from time to time for its executive team.

Section 3.2. Expense Reimbursement. The Company shall reimburse the Executive during the Term, in accordance with the Company's expense reimbursement policies in place from time to time, for all reasonable out-of-pocket business and travel expenses incurred by the Executive in the performance of their duties hereunder. In order to receive such reimbursement, the Executive shall furnish to the Company documentary evidence of each such expense in the form required to comply with the Company's policies in place from time to time.

#### ARTICLE 4 TERMINATION OF EMPLOYMENT

##### Section 4.1. Termination Without Cause; Resignation for Good Reason

(a) The Company may terminate the Executive's employment hereunder at any time without Cause (other than by reason of death or Disability) upon two weeks prior written notice to the Executive. The Executive may terminate their employment hereunder for Good Reason upon written notice to the Company in accordance with the provisions set forth in Section 4.1(c).

(b) As used in this Agreement, “Cause” means: (i) a material act, or act of fraud, committed by the Executive that is intended to result in the Executive’s personal enrichment to the detriment or at the expense of the Company or any of its Affiliates; (ii) the Executive is convicted of a felony; (iii) gross negligence or willful misconduct by the Executive, or failure by the Executive to perform the duties or obligations reasonably assigned to the Executive from time to time, which is not cured upon at least thirty (30) days prior written notice (unless such negligence, misconduct or failure is not susceptible to cure, as determined in the Company’s reasonable discretion ); or (iv) the Executive violates this Agreement or the Proprietary Information and Inventions Agreement (“PIIA”) (as defined in Section 5.1 below).

(c) As used in this Agreement, “Good Reason” means the occurrence of any of the following: (1) a material breach by the Company of the terms of this Agreement; (2) a material reduction in the Executive’s Base Salary (other than pursuant to a reduction uniformly applicable to all senior executives of the Company); or (3) a material diminution or change in the Executive’s title, authority, duties or responsibilities; provided, however, that the Executive must notify the Company within sixty (60) days of the occurrence of any of the foregoing conditions that they consider to be a “Good Reason” condition and provide the Company with at least thirty (30) days in which to cure the condition. If the Executive fails to provide this notice and cure period prior to their resignation, or resigns more than six (6) months after the initial existence of the condition, their resignation will not be deemed to be for “Good Reason.”

(d) Except as provided by Section 4.1(e), if the Executive’s employment is terminated without Cause or for Good Reason, the Executive shall, in full discharge of all of the Company’s obligations to the Executive, be entitled to receive, and the Company’s sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations (as defined in Section 4.2(b));

(ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to nine (9) months of the Executive’s Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) a pro-rated payment equal to the Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; and (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive’s COBRA health insurance premium that it paid during the Executive’s employment for nine (9) months.

(e) Notwithstanding Section 4.1(d), if the Executive’s employment is terminated without Cause (and other than due to Executive’s death or disability) or the Executive resigns for Good Reason either three months immediately preceding or within one year after a Change of Control (as defined in the Company’s 2021 Omnibus Equity Incentive Plan), the Executive shall, in full discharge of all of the Company’s obligations to the Executive, be entitled

to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

- (i) the Accrued Obligations (as defined in Section 4.2(b));
- (ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to twelve (12) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) the targeted Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive's COBRA health insurance premium that it paid during the Executive's employment for twelve (12) months; and (D) Executive shall be deemed to have fully vested in any options or other equity awards granted to Executive that are outstanding as of the Executive's Termination Date.

Section 4.2. Termination for Cause: Voluntary Termination without Good Reason.

(a) The Company may terminate the Executive's employment hereunder at any time for Cause upon written notice to the Executive. The Executive may voluntarily terminate their employment hereunder at any time without Good Reason upon two weeks prior written notice to the Company; provided, however, the Company reserves the right, upon written notice to the Executive, to accept the Executive's notice of resignation and to accelerate such notice and make the Executive's resignation effective immediately, or on such other date prior to Executive's intended last day of work as the Company deems appropriate; provided the Company pays Executive for the full notice period. It is understood and agreed that the Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by the Company without Cause for purposes of Section 4.1 of this Agreement or otherwise or constitute Good Reason (as defined in Section 4.1) for purposes of Section 4.1 of this Agreement or otherwise.

(b) If the Executive's employment is terminated with Cause or without Good Reason, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation under this Agreement or otherwise shall be to pay or provide to the Executive, the following (collectively, the "Accrued Obligations"):

- (i) the Executive's earned, but unpaid, Base Salary through the final date of the Executive's employment by the Company (the "Termination Date"), payable in accordance with the Company's standard payroll practices;
- (ii) expenses reimbursable under Section 3.2 above incurred on or prior to the Termination Date but not yet reimbursed; and
- (iii) any amounts or benefits that are vested amounts or vested benefits or that the Executive is otherwise entitled to receive under any Company plan,

program, policy or practice (with the exception of those, if any, relating to severance) on the Termination Date, in accordance with such plan, program, policy, or practice.

Section 4.3. Termination Resulting from Death or Disability.

(a) As the result of any Disability suffered by the Executive, the Company may, upon five (5) days prior notice to the Executive, terminate the Executive's employment under this Agreement. The Executive's employment shall automatically terminate upon their death.

(b) "Disability" means a determination by the Company in accordance with applicable law that as a result of a physical or mental injury or illness, the Executive is unable to perform the essential functions of their job with or without reasonable accommodation for a period of (i) ninety-one (91) consecutive days; or (ii) one hundred twenty (120) days during any twelve (12) month period.

(c) If the Executive's employment is terminated pursuant to Disability, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations; and

(ii) subject to Section 4.4 and Section 4.5, severance payments equal to six (6) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in equal installments in accordance with the Company's regular payroll practices, commencing on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date.

Section 4.4. Release Agreement. In order to receive any severance payments, the Executive must timely execute, deliver (and not revoke) a separation agreement and general release (the "Release Agreement") in a form reasonably satisfactory to the Company. If the Executive is eligible for severance, the Company will deliver the Release Agreement to the Executive within seven (7) calendar days following the Termination Date. The severance is subject to the Executive's execution and delivery of such Release Agreement within 21 days [or 45 days in the case of a group layoff] of the Executive's receipt of the Release Agreement and the Executive's non-revocation of such Release Agreement in accordance with applicable law.

Section 4.5. Post-Termination Breach. Notwithstanding anything to the contrary contained in this Agreement, the Company's obligations to provide any severance payments will immediately cease if the Executive breaches any of the provisions of the PIIA, the Release Agreement or any other agreement the Executive has with the Company.

ARTICLE 5  
GENERAL PROVISIONS

Section 5.1. Proprietary Information and Inventions Agreement. The Executive reaffirms the PIIA they signed on or about September 1, 2021. The PIIA shall survive the termination of this Agreement and the Executive's employment by the Company for the applicable period(s) set forth therein.

Section 5.2. Expenses. Each of the Company and the Executive shall bear its own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

Section 5.3. Entire Agreement. This Agreement and the PIIA contain the entire agreement of the parties hereto with respect to the terms and conditions of the Executive's employment during the Term and activities following termination of this Agreement and the Executive's employment with the Company and supersede any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to the subject matter of this Agreement and the PIIA. Each party hereto acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein or in the PIIA. The Executive acknowledges and agrees that the Company has fully satisfied, and has no further, obligations to the Executive arising under, or relating to, any other employment or consulting arrangement or understanding (including, without limitation, any claims for compensation or benefits of any kind) or otherwise. No agreement, promise or statement not contained in this Agreement or the PIIA shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

Section 5.4. No Other Contracts. The Executive represents and warrants to the Company that neither the execution and delivery of this Agreement by the Executive nor the performance by the Executive of the Executive's obligations hereunder, shall constitute a default under or a breach of the terms of any other agreement, contract or other arrangement, whether written or oral, to which the Executive is a party or by which the Executive is bound, nor shall the execution and delivery of this Agreement by the Executive nor the performance by the Executive of their duties and obligations hereunder give rise to any claim or charge against either the Executive, the Company or any Affiliate, based upon any other contract or other arrangement, whether written or oral, to which the Executive is a party or by which the Executive is bound. The Executive further represents and warrants to the Company that they are not a party to or subject to any restrictive covenants, legal restrictions or other agreement, contract or arrangement, whether written or oral, in favor of any entity or person which would in any way preclude, inhibit, impair or limit the Executive's ability to perform their obligations under this Agreement or the PIIA, including, but not limited to, non-competition agreements, non-solicitation agreements or confidentiality agreements. The Executive shall defend, indemnify and hold the Company harmless from and against all claims, actions, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and amounts paid in settlement in good faith) arising from or relating to any breach of the representations and warranties made by the Executive in this Section 5.4.

Section 5.5. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt

by the other party, and in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

**If to the Company, to:**

Dermata Therapeutics, Inc.  
3525 Del Mar Heights Road, #322  
San Diego, CA 92130

**With a copy to:**

Lowenstein Sandler LLP  
1251 Avenue of the Americas  
New York, New York 10020  
Attn: Michael J. Lerner, Esq., [mlerner@lowenstein.com](mailto:mlerner@lowenstein.com)

**If to the Executive, to:**

Kyri Van Hoose

Any person named above may designate another or an additional notification address and contact person by giving notice in accordance with this Section to the other persons named above.

Section 5.6. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without regard to principles of conflicts of law. Any and all actions arising out of this Agreement or the Executive's employment by Company or termination therefrom shall be brought and heard in the state and federal courts of the State of California and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of any such courts. THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.

Section 5.7. Waiver. Either party hereto may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

Section 5.8. Severability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which

shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

Section 5.9. Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

Section 5.10. Advice of Counsel. This Agreement was prepared by Lowenstein Sandler LLP in its capacity as legal counsel to the Company. Both parties hereto acknowledge that they have had the opportunity to seek and obtain the advice of counsel before entering into this Agreement and have done so to the extent desired, and have fully read the Agreement and understand the meaning and import of all the terms hereof.

Section 5.11. Assignment. This Agreement shall inure to the benefit of the Company and its successors and assigns (including, without limitation, the purchaser of all or substantially all of its assets) and shall be binding upon the Company and its successors and assigns. This Agreement is personal to the Executive, and the Executive shall not assign or delegate their rights or duties under this Agreement, and any such assignment or delegation shall be null and void.

Section 5.12. Agreement to Take Actions. Each party to this Agreement shall execute and deliver such documents, certificates, agreements and other instruments, and shall take all other actions, as may be reasonably necessary or desirable in order to perform its obligations under this Agreement.

Section 5.13. No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect; provided, however, that nothing in this Section 5.13 or Section 5.11 shall preclude the assumption of such rights by executors, administrators or other legal representatives of the Executive or the Executive's estate and their assigning any rights hereunder to the person or persons entitled thereto.

Section 5.14. Source of Payment. Except as otherwise provided under the terms of any applicable employee benefit plan, all payments provided for under this Agreement shall be paid in cash from the general funds of Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise

be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Executive or any other person. To the extent that any person acquires a right to receive payments from the Company hereunder, such right, without prejudice to rights which employees may have, shall be no greater than the right of an unsecured creditor of the Company. The Executive shall not look to the owners of the Company for the satisfaction of any obligations of the Company under this Agreement.

Section 5.15. Tax Withholding. The Company or other payor is authorized to withhold from any benefit provided or payment due hereunder, the amount of withholding taxes due any federal, state or local authority in respect of such benefit or payment and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding taxes. The Executive will be solely responsible for all taxes assessed against him under applicable law with respect to the compensation and benefits described in this Agreement, other than typical employer-paid taxes such as FICA, and the Company makes no representations as to the tax treatment of such compensation and benefits.

Section 5.16. Section 280G. If any amounts or benefits provided for in this Agreement, when aggregated with any other payments or benefits payable or provided to the Executive (the "Total Payments") would (i) constitute "parachute payments" within the meaning of Section 280G of the Code (which will not include any portion of payments allocated to restrictive covenants that are classified as payments of reasonable compensation for purposes of Section 280G of the Code), and (ii) but for this Section 5.16, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments will be either: (a) provided in full, or (b) provided as to such lesser extent as would result in no portion of such Total Payments being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in Executive's receipt on an after-tax basis of the greatest amount of the Total Payments, notwithstanding that all or some portion of the Total Payments may be subject to the Excise Tax. As used in this Agreement, the "Code" means the Internal Revenue Code of 1986, as amended. To the extent any reduction in Total Payments is required by this Section 5.16, such reduction shall occur to the payments and benefits in the order that results in the greatest economic present value of all payments and benefits actually made to Executive. Unless the Company and the Executive otherwise agree in writing, any determination required under this Section 5.16 shall be made in writing in good faith based on the advice of an accounting firm selected by the Company (the "Accountants"). The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably require in order to make a determination under this Section 5.16, and the Company shall bear the cost of all fees the Accountants charge in connection with any calculations contemplated by this Section 5.16.

Section 5.17. 409A Compliance. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all



relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an “additional tax” under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an “additional tax” within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to “specified employees,” any payment on account of the Executive’s separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the Termination Date and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive’s lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of Section 4.1 unless the Executive would be considered to have incurred a “termination of employment” from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

Section 5.18. Recoupment of Erroneously Awarded Compensation. Any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation, stock exchange listing requirement or any clawback policy adopted by the Company from time to time before the date of the award of the incentive based or other compensation will be subject to the deductions and clawback as may be required by such law, government regulation, stock exchange listing requirement or clawback policy. In addition, if the Executive is or becomes an executive officer subject to the incentive compensation repayment requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), then if required by the Dodd-Frank Act or any of its regulations he/she will enter into an amendment to this Agreement or a separate written agreement with the Company to comply with the Dodd-Frank Act and any of its regulations.

*[Signature Page Follows]*

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

**COMPANY**

DERMATA THERAPEUTICS, INC.

By: /s/ Gerry Proehl \_\_\_\_\_

Name: Gerry Proehl

Title: President and CEO

**EXECUTIVE**

/s/ Kyri Van Hoose \_\_\_\_\_

Kyri Van Hoose

Exhibit A

[N/A]

## EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”), effective December 6, 2021 (the “Effective Date”), is by and between DERMATA THERAPEUTICS, INC., a Delaware corporation (the “Company”) and Maria Bedoya Toro Munera (the “Executive”).

### WITNESSETH

**WHEREAS**, the Company desires to continue to employ the Executive as its Senior Vice President, Regulatory Affairs and Quality Assurance, and the Executive desires to accept such employment, on the terms and conditions set forth in this Agreement; and

**WHEREAS**, the Company and the Executive have mutually agreed that, as of the Effective Date, this Agreement shall govern the terms of employment between the Executive and the Company;

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

#### ARTICLE 1

##### EMPLOYMENT: TERM OF AGREEMENT

**Section 1.1. Employment and Acceptance.** During the Term (as defined in **Section 1.2**), the Company shall employ the Executive, and the Executive shall accept such employment and serve the Company, in each case, subject to the terms and conditions of this Agreement.

**Section 1.2. Term.** The employment relationship hereunder shall be for the period commencing on the Effective Date until terminated by either party as provided in ARTICLE 4 (the “Term”). In the event that the Executive’s employment with the Company terminates, the Company’s obligation to continue to pay, after the Termination Date, Base Salary, Annual Bonus, and other unaccrued benefits shall terminate, except as may be provided for in **ARTICLE 4**.

#### ARTICLE 2

##### TITLE, DUTIES AND OBLIGATIONS; LOCATION

**Section 2.1. Title.** The Company shall employ the Executive to render full-time services to the Company on the terms and conditions hereinafter set forth. The Executive shall serve in the capacity of Senior Vice President, Regulatory Affairs and Quality Assurance.

**Section 2.2. Duties.** The Executive shall report to the Company’s Chief Executive Officer. The Executive agrees to perform to the best of his ability, experience and talent those acts and duties, consistent with his position as Senior Vice President, Regulatory Affairs and Quality Assurance from time to time as the Company may lawfully direct. During the Term, the Executive also shall serve in such other positions or capacities as may, from time to time, be requested by the Company or any of its Affiliates.



Section 2.3. Compliance with Policies, etc. During the Term, the Executive shall be bound by, and comply fully with, all of the Company's written policies and procedures for employees and officers in place from time to time, including, but not limited to, all terms and conditions set forth in the Company's employee handbook, compliance manual, codes of conduct and any other memoranda and communications applicable to the Executive pertaining to the policies, procedures, rules and regulations, as currently in effect and as may be amended from time to time and provided to the Executive in writing. These policies and procedures include, among other things and without limitation, the Executive's obligations to comply with the Company's rules regarding confidential and proprietary information and trade secrets.

Section 2.4. Time Commitment. During the Term, the Executive shall use his best efforts to promote the interests of the Company (including its subsidiaries and other Affiliates) and shall devote all of his business time, ability and attention to the performance of his duties for the Company and shall not, directly or indirectly, render any services to any other person or organization, whether for compensation or otherwise, except with the Company's prior written consent, except that, without such written consent, the Executive may (i) participate in charitable, civic, educational, professional, community or industry affairs; and (ii) manage the Executive's passive personal investments. As used in this Agreement, "Affiliate" of any individual or entity means any other individual or entity that directly or individual controls, is controlled by, or is under common control with, the individual or entity. Notwithstanding the above, the Company is aware that Executive is engaged in those Activities listed in Exhibit A (if any) and consents to his continued participation in such activities and other non-commercial activities that do not interfere with Executive's duties hereunder.

Section 2.5. Location. The Executive's principal place of business for the performance of his duties under this Agreement shall be in San Diego, California or such other place as permitted by the Company. Notwithstanding the foregoing, the Executive shall be required to travel as necessary to perform his duties hereunder.

### ARTICLE 3 COMPENSATION AND BENEFITS: EXPENSES

Section 3.1. Compensation and Benefits. For all services rendered by the Executive in any capacity during the Term (including, without limitation, serving as an officer, director or member of any committee of the Company or any of its subsidiaries or other Affiliates), the Executive shall be compensated as follows (subject, in each case, to the provisions of ARTICLE 4 below):

(a) Base Salary. During the Term, the Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of \$150,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time. The Executive's Base salary shall be subject to periodic review and adjustment as the Company shall in its discretion deem appropriate.

(b) Annual Bonus. For each calendar year ending during the Term, the Executive shall be eligible to receive an annual bonus (the "Annual Bonus") with a target amount

equal to forty percent (40%) of the Base Salary earned by the Executive for such calendar year (the "Target Annual Bonus"). The actual amount of each Annual Bonus will be based upon the level of achievement of the Company's corporate objectives and the Executive's individual objectives, in each case, as established by the Company and the Executive for the calendar year with respect to which such Annual Bonus relates. The determination of the level of achievement of the corporate objectives and the Executive's individual performance objectives for a year shall be made by the Company in its reasonable discretion. Each Annual Bonus for a calendar year, to the extent earned, will be paid in a lump sum in the following calendar year, within the first 75 days of such following year. Unless otherwise set forth herein, the Annual Bonus shall not be deemed earned until the date that it is paid. Accordingly, except as otherwise provided herein, in order for the Executive to receive an Annual Bonus, the Executive must be actively employed in good standing by the Company at the time of such payment for such Annual Bonus to be due and payable.

(c) Equity Compensation. The Executive shall be eligible to receive equity compensation from time to time as provided under separate cover.

(d) Benefit Plans. The Executive shall be entitled to participate in all employee benefit plans and programs (excluding severance plans, if any) generally made available by the Company to senior executives of the Company, to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. The Company may amend, modify or rescind any employee benefit plan or program and/or change employee contribution amounts to benefit costs in its discretion.

(e) Paid Vacation. The Executive shall be eligible to take paid vacation days in accordance with the Company's vacation policies in effect from time to time for its executive team.

Section 3.2. Expense Reimbursement. The Company shall reimburse the Executive during the Term, in accordance with the Company's expense reimbursement policies in place from time to time, for all reasonable out-of-pocket business and travel expenses incurred by the Executive in the performance of his duties hereunder. In order to receive such reimbursement, the Executive shall furnish to the Company documentary evidence of each such expense in the form required to comply with the Company's policies in place from time to time.

#### ARTICLE 4 TERMINATION OF EMPLOYMENT

##### Section 4.1. Termination Without Cause; Resignation for Good Reason

(a) The Company may terminate the Executive's employment hereunder at any time without Cause (other than by reason of death or Disability) upon two weeks prior written notice to the Executive. The Executive may terminate his employment hereunder for Good Reason upon written notice to the Company in accordance with the provisions set forth in Section 4.1(c).

(b) As used in this Agreement, "Cause" means: (i) a material act, or act of fraud, committed by the Executive that is intended to result in the Executive's personal enrichment to the detriment or at the expense of the Company or any of its Affiliates; (ii) the Executive is convicted of a felony; (iii) gross negligence or willful misconduct by the Executive, or failure by the

Executive to perform the duties or obligations reasonably assigned to the Executive from time to time, which is not cured upon at least thirty (30) days prior written notice (unless such negligence, misconduct or failure is not susceptible to cure, as determined in the Company's reasonable discretion ); or (iv) the Executive violates this Agreement or the Proprietary Information and Inventions Agreement ("PIIA") (as defined in Section 5.1 below).

(c) As used in this Agreement, "Good Reason" means the occurrence of any of the following: (1) a material breach by the Company of the terms of this Agreement; (2) a material reduction in the Executive's Base Salary (other than pursuant to a reduction uniformly applicable to all senior executives of the Company); or (3) a material diminution or change in the Executive's title, authority, duties or responsibilities; provided, however, that the Executive must notify the Company within sixty (60) days of the occurrence of any of the foregoing conditions that he considers it to be a "Good Reason" condition and provide the Company with at least thirty (30) days in which to cure the condition. If the Executive fails to provide this notice and cure period prior to his resignation, or resigns more than six (6) months after the initial existence of the condition, his resignation will not be deemed to be for "Good Reason."

(d) Except as provided by Section 4.1(e), if the Executive's employment is terminated without Cause or for Good Reason, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations (as defined in Section 4.2(b));

(ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to nine (9) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) a pro-rated payment equal to the Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; and (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive's COBRA health insurance premium that it paid during the Executive's employment for nine (9) months.

(e) Notwithstanding Section 4.1(d), if the Executive's employment is terminated without Cause (and other than due to Executive's death or disability) or the Executive resigns for Good Reason either three months immediately preceding or within one year after a Change of Control (as defined in the Company's 2021 Omnibus Equity Incentive Plan), the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations (as defined in Section 4.2(b));



(ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to twelve (12) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) the targeted Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive's COBRA health insurance premium that it paid during the Executive's employment for twelve (12) months; and (D) Executive shall be deemed to have fully vested in any options or other equity awards granted to Executive that are outstanding as of the Executive's Termination Date.

Section 4.2. Termination for Cause; Voluntary Termination without Good Reason.

(a) The Company may terminate the Executive's employment hereunder at any time for Cause upon written notice to the Executive. The Executive may voluntarily terminate his employment hereunder at any time without Good Reason upon two weeks prior written notice to the Company; provided, however, the Company reserves the right, upon written notice to the Executive, to accept the Executive's notice of resignation and to accelerate such notice and make the Executive's resignation effective immediately, or on such other date prior to Executive's intended last day of work as the Company deems appropriate; provided the Company pays Executive for the full notice period. It is understood and agreed that the Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by the Company without Cause for purposes of Section 4.1 of this Agreement or otherwise or constitute Good Reason (as defined in Section 4.1) for purposes of Section 4.1 of this Agreement or otherwise.

(b) If the Executive's employment is terminated with Cause or without Good Reason, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation under this Agreement or otherwise shall be to pay or provide to the Executive, the following (collectively, the "Accrued Obligations"):

(i) the Executive's earned, but unpaid, Base Salary through the final date of the Executive's employment by the Company (the "Termination Date"), payable in accordance with the Company's standard payroll practices;

(ii) expenses reimbursable under Section 3.2 above incurred on or prior to the Termination Date but not yet reimbursed; and

(iii) any amounts or benefits that are vested amounts or vested benefits or that the Executive is otherwise entitled to receive under any Company plan, program, policy or practice (with the exception of those, if any, relating to severance) on the Termination Date, in accordance with such plan, program, policy, or practice.

Section 4.3. Termination Resulting from Death or Disability.

(a) As the result of any Disability suffered by the Executive, the Company may, upon five (5) days prior notice to the Executive, terminate the Executive's employment under this Agreement. The Executive's employment shall automatically terminate upon his death.

(b) "Disability" means a determination by the Company in accordance with applicable law that as a result of a physical or mental injury or illness, the Executive is unable to perform the essential functions of his job with or without reasonable accommodation for a period of (i) ninety-one (91) consecutive days; or (ii) one hundred twenty (120) days during any twelve (12) month period.

(c) If the Executive's employment is terminated pursuant to Disability, the Executive shall, in full discharge of all of the Company's obligations to the Executive, be entitled to receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations; and

(ii) subject to Section 4.4 and Section 4.5, severance payments equal to six (6) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in equal installments in accordance with the Company's regular payroll practices, commencing on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date.

Section 4.4. Release Agreement. In order to receive any severance payments, the Executive must timely execute, deliver (and not revoke) a separation agreement and general release (the "Release Agreement") in a form reasonably satisfactory to the Company. If the Executive is eligible for severance, the Company will deliver the Release Agreement to the Executive within seven (7) calendar days following the Termination Date. The severance is subject to the Executive's execution and delivery of such Release Agreement within 21 days [or 45 days in the case of a group layoff] of the Executive's receipt of the Release Agreement and the Executive's non-revocation of such Release Agreement in accordance with applicable law.

Section 4.5. Post-Termination Breach. Notwithstanding anything to the contrary contained in this Agreement, the Company's obligations to provide any severance payments will immediately cease if the Executive breaches any of the provisions of the PIIA, the Release Agreement or any other agreement the Executive has with the Company.

ARTICLE 5  
GENERAL PROVISIONS

Section 5.1. Proprietary Information and Inventions Agreement. The Executive reaffirms the PIIA he previously signed on or about June 18, 2015. The PIIA shall survive the termination of this Agreement and the Executive's employment by the Company for the applicable period(s) set forth therein.

Section 5.2. Expenses. Each of the Company and the Executive shall bear its/his own costs, fees and expenses in connection with the negotiation, preparation and execution of this Agreement.

Section 5.3. Entire Agreement. This Agreement and the PIIA contain the entire agreement of the parties hereto with respect to the terms and conditions of the Executive's employment during the Term and activities following termination of this Agreement and the Executive's employment with the Company and supersede any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to the subject matter of this Agreement and the PIIA. Each party hereto acknowledges that no representations, inducements, promises or agreements, whether oral or in writing, have been made by any party, or on behalf of any party, which are not embodied herein or in the PIIA. The Executive acknowledges and agrees that the Company has fully satisfied, and has no further, obligations to the Executive arising under, or relating to, any other employment or consulting arrangement or understanding (including, without limitation, any claims for compensation or benefits of any kind) or otherwise. No agreement, promise or statement not contained in this Agreement or the PIIA shall be valid and binding, unless agreed to in writing and signed by the parties sought to be bound thereby.

Section 5.4. No Other Contracts. The Executive represents and warrants to the Company that neither the execution and delivery of this Agreement by the Executive nor the performance by the Executive of the Executive's obligations hereunder, shall constitute a default under or a breach of the terms of any other agreement, contract or other arrangement, whether written or oral, to which the Executive is a party or by which the Executive is bound, nor shall the execution and delivery of this Agreement by the Executive nor the performance by the Executive of his duties and obligations hereunder give rise to any claim or charge against either the Executive, the Company or any Affiliate, based upon any other contract or other arrangement, whether written or oral, to which the Executive is a party or by which the Executive is bound. The Executive further represents and warrants to the Company that he is not a party to or subject to any restrictive covenants, legal restrictions or other agreement, contract or arrangement, whether written or oral, in favor of any entity or person which would in any way preclude, inhibit, impair or limit the Executive's ability to perform his obligations under this Agreement or the PIIA, including, but not limited to, non-competition agreements, non-solicitation agreements or confidentiality agreements. The Executive shall defend, indemnify and hold the Company harmless from and against all claims, actions, losses, liabilities, damages, costs and expenses (including reasonable attorney's fees and amounts paid in settlement in good faith) arising from or relating to any breach of the representations and warranties made by the Executive in this Section 5.4.

Section 5.5. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by nationally recognized overnight courier service (with next business day delivery requested). Any such notice or communication shall be deemed given and effective, in the case of personal delivery, upon receipt by the other party, and in the case of a courier service, upon the next business day, after dispatch of the notice or communication. Any such notice or communication shall be addressed as follows:

**If to the Company, to:**

Dermata Therapeutics, INC.

3525 Del Mar Heights Road, #322  
San Diego, CA 92130

**With a copy to:**

Lowenstein Sandler LLP  
1251 Avenue of the Americas  
New York, New York 10020  
Attn: Michael J. Lerner, Esq., [mlerner@lowenstein.com](mailto:mlerner@lowenstein.com)

**If to the Executive, to:**

Maria Bedoya Toro Munera

Any person named above may designate another or an additional notification address and contact person by giving notice in accordance with this Section to the other persons named above.

Section 5.6. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without regard to principles of conflicts of law. Any and all actions arising out of this Agreement or the Executive's employment by Company or termination therefrom shall be brought and heard in the state and federal courts of the State of California and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of any such courts. THE COMPANY AND THE EXECUTIVE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.

Section 5.7. Waiver. Either party hereto may waive compliance by the other party with any provision of this Agreement. The failure of a party to insist on strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No waiver of any provision shall be construed as a waiver of any other provision. Any waiver must be in writing.

Section 5.8. Severability. If any one or more of the terms, provisions, covenants and restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be determined by a court of competent jurisdiction to be excessively broad as to

duration, geographical scope, activity or subject, it shall be construed, by limiting or reducing it, so as to be enforceable to the extent compatible with then applicable law.

Section 5.9. Counterparts. This Agreement may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the parties hereto.

Section 5.10. Advice of Counsel. This Agreement was prepared by Lowenstein Sandler LLP in its capacity as legal counsel to the Company. Both parties hereto acknowledge that they have had the opportunity to seek and obtain the advice of counsel before entering into this Agreement and have done so to the extent desired, and have fully read the Agreement and understand the meaning and import of all the terms hereof.

Section 5.11. Assignment. This Agreement shall inure to the benefit of the Company and its successors and assigns (including, without limitation, the purchaser of all or substantially all of its assets) and shall be binding upon the Company and its successors and assigns. This Agreement is personal to the Executive, and the Executive shall not assign or delegate his rights or duties under this Agreement, and any such assignment or delegation shall be null and void.

Section 5.12. Agreement to Take Actions. Each party to this Agreement shall execute and deliver such documents, certificates, agreements and other instruments, and shall take all other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement.

Section 5.13. No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect; provided, however, that nothing in this Section 5.13 or Section 5.11 shall preclude the assumption of such rights by executors, administrators or other legal representatives of the Executive or the Executive's estate and their assigning any rights hereunder to the person or persons entitled thereto.

Section 5.14. Source of Payment. Except as otherwise provided under the terms of any applicable employee benefit plan, all payments provided for under this Agreement shall be paid in cash from the general funds of Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Executive or any other person. To the extent that any person acquires a right to receive payments

from the Company hereunder, such right, without prejudice to rights which employees may have, shall be no greater than the right of an unsecured creditor of the Company. The Executive shall not look to the owners of the Company for the satisfaction of any obligations of the Company under this Agreement.

Section 5.15. Tax Withholding. The Company or other payor is authorized to withhold from any benefit provided or payment due hereunder, the amount of withholding taxes due any federal, state or local authority in respect of such benefit or payment and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding taxes. The Executive will be solely responsible for all taxes assessed against him under applicable law with respect to the compensation and benefits described in this Agreement, other than typical employer-paid taxes such as FICA, and the Company makes no representations as to the tax treatment of such compensation and benefits.

Section 5.16. 409A Compliance. All payments under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). As used in this Agreement, the "Code" means the Internal Revenue Code of 1986, as amended. To the extent permitted under applicable regulations and/or other guidance of general applicability issued pursuant to Section 409A, the Company reserves the right to modify this Agreement to conform with any or all relevant provisions regarding compensation and/or benefits so that such compensation and benefits are exempt from the provisions of 409A and/or otherwise comply with such provisions so as to avoid the tax consequences set forth in Section 409A and to assure that no payment or benefit shall be subject to an "additional tax" under Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision shall be read in such a manner so that no payment due to the Executive shall be subject to an "additional tax" within the meaning of Section 409A(a)(1)(B) of the Code. If necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six (6) months after such separation shall be delayed until the first business day of the seventh month following the Termination Date and the first such payment shall include the cumulative amount of any payments (without interest) that would have been paid prior to such date if not for such restriction. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of Section 4.1 unless the Executive would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). In no event

whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

Section 5.17. Recoupment of Erroneously Awarded Compensation. Any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation, stock exchange listing requirement or any clawback policy adopted by the Company from time to time before the date of the award of the incentive based or other compensation will be subject to the deductions and clawback as may be required by such law, government regulation, stock exchange listing requirement or clawback policy. In addition, if the Executive is or becomes an executive officer subject to the incentive compensation repayment requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), then if required by the Dodd-Frank Act or any of its regulations he/she will enter into an amendment to this Agreement or a separate written agreement with the Company to comply with the Dodd-Frank Act and any of its regulations.

*[Signature Page Follows]*

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

**COMPANY**

DERMATA THERAPEUTICS, INC.

By: /s/ Gerald T. Proehl  
Name: Gerry Proehl  
Title: President and CEO

**EXECUTIVE**

/s/ Maria Bedoya Toro Munera  
Maria Bedoya Toro Munera



Exhibit A

[N/A]

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT**

This First Amendment to Employment Agreement (the “**Amendment**”) is made and entered into between Dermata Therapeutics, Inc. (the “**Company**”) and Christopher Nardo (the “**Executive**”) effective as of December 6, 2021 (the “**Effective Date**”).

**WHEREAS**, Company and the Executive are parties to an Employment Agreement dated as of August 17, 2021 (the “**Agreement**”); and

**WHEREAS**, the parties agree to amend the Agreement as provided herein, with the remaining terms of the Agreement remaining in full force and effect.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree to amend the Agreement follows:

Section 4.1(d) in the Agreement shall be deleted and replaced in its entirety as follows:

(d) If the Executive’s employment is terminated without Cause or for Good Reason, the Executive shall, in full discharge of all of the Company’s obligations to the Executive, be entitled to receive, and the Company’s sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

- (i) the Accrued Obligations (as defined in Section 4.2(b));
- (ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to nine (9) months of the Executive’s Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum on the next regular payroll date that occurs on or after the sixtieth (60th) day following the Termination Date; (B) a pro-rated payment equal to the Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; and (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive’s COBRA health insurance premium that it paid during the Executive’s employment for nine (9) months.

Section 4.1(e) shall be added as follows:

(e) Notwithstanding Section 4.1(d), if the Executive’s employment is terminated without Cause (and other than due to Executive’s death or disability) or the Executive resigns for Good Reason either three months immediately preceding or within one year after a Change of Control (as defined in the Company’s 2021 Omnibus Equity Incentive Plan), the Executive shall, in full discharge of all of the Company’s obligations to the Executive, be entitled to



receive, and the Company's sole obligation to the Executive under this Agreement or otherwise shall be to pay or provide to the Executive, the following:

(i) the Accrued Obligations (as defined in Section 4.2(b));

(ii) subject to Section 4.4 and Section 4.5: (A) severance payments equal to twelve (12) months of the Executive's Base Salary at the rate in effect immediately prior to the Termination Date (provided that if such salary has been reduced, the pre-reduction Base Salary) to be paid (subject to Section 5.16) in a lump sum following the Termination Date; (B) the targeted Annual Bonus the Board determines is due, payable on the date such Annual Bonus otherwise would have been paid; (C) in the event the Executive timely elects COBRA, the Company will reimburse the Executive for the same portion of Executive's COBRA health insurance premium that it paid during the Executive's employment for twelve (12) months; and (D) Executive shall be deemed to have fully vested in any options or other equity awards granted to Executive that are outstanding as of the Executive's Termination Date.

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

DERMATA THERAPEUTICS, INC.

/s/ Gerry Proehl \_\_\_\_\_

By: Gerry Proehl

Title: President and CEO

CHRISTOPHER NARDO

/s/ Christopher Nardo \_\_\_\_\_

## RESTRICTED STOCK UNIT AWARD AGREEMENT

## DERMATA THERAPEUTICS, INC.

This Restricted Stock Unit Award Agreement (the “Agreement” or “Award Agreement”), dated as of the “Award Date” set forth in the attached Exhibit A, is entered into between Dermata Therapeutics, Inc., a Delaware corporation (the “Company”), and the individual named in Exhibit A hereto (the “Awardee”).

WHEREAS, the Company desires to provide the Awardee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to award the Awardee Restricted Stock Units pursuant to the Dermata Therapeutics, Inc. 2021 Omnibus Equity Incentive Plan (the “Plan”);

NOW, THEREFORE, the following provisions apply to this Award:

1. Award. The Company hereby awards the Awardee the number of Restricted Stock Units (each an “RSU” and collectively the “RSUs”) set forth in Exhibit A. Such RSUs shall be subject to the terms and conditions set forth in this Agreement and the provisions of the Plan, the terms of which are incorporated herein by reference. Capitalized terms used but not otherwise defined herein shall have the meanings as set forth in the Plan.

2. Vesting. Except as otherwise provided in this Agreement, the RSUs shall vest in accordance with the vesting schedule set forth in Exhibit A, provided that the Awardee remains in Continuous Service through the applicable vesting date.

For each RSU that becomes vested in accordance with this Agreement, the Company shall issue and deliver to Awardee, on or within ten (10) business days after becoming vested, one share of the Company’s common stock, par value \$.0001 per share (the “Common Stock”). Except as provided above, in the event that the Awardee ceases to be in Continuous Service, any RSUs that have not vested as of the date of such cessation of service shall be forfeited.

3. Dividend Equivalent Units. If and to the extent that the Company pays a cash dividend with respect to the Common Stock, Awardee shall be credited with an additional number of RSUs (“Dividend Equivalent Units”), including a fractional Dividend Equivalent Unit if applicable, equal to (i) the amount of such dividends as would have been paid with respect to Awardee’s outstanding RSUs on the record date of such dividend (the “record date”) had each such outstanding RSU been an outstanding share of Common Stock on such record date, divided by (ii) the closing price of a share of Common Stock on such record date. Dividend Equivalent Units shall be subject to the same vesting terms and conditions as the RSUs to which they relate.

---

4. No Rights as Stockholder. The Awardee shall not be entitled to any of the rights of a stockholder with respect to any share of Common Stock that may be acquired following vesting of an RSU unless and until such share of Common Stock is issued and delivered to the Awardee. Without limitation of the foregoing, the Awardee shall not have the right to vote any share of Common Stock to which an RSU relates and shall not be entitled to receive any dividend attributable to such share of Common Stock for any period prior to the issuance and delivery of such share to Awardee (but Awardee shall have dividend equivalent rights as provided in Section 3 above).

5. Transfer Restrictions. Neither this Agreement nor the RSUs may be sold, assigned, pledged or otherwise transferred or encumbered without the prior written consent of the Committee.

6. Government Regulations. Notwithstanding anything contained herein to the contrary, the Company's obligation hereunder to issue or deliver certificates evidencing shares of Common Stock shall be subject to the terms of all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

7. Withholding Taxes. The Awardee shall pay to the Company, or make provision satisfactory to the Company for payment of, the **minimum statutory amount required** to satisfy all federal, state and local income tax withholding requirements and the Awardee's share of applicable employment withholding taxes in connection with the issuance and deliverance of shares of Common Stock following vesting of RSUs, in any manner permitted by the Plan. No shares of Common Stock shall be issued with respect to RSUs unless and until satisfactory arrangements acceptable to the Company have been made by the Awardee with respect to the payment of any income and other taxes which the Company determines must be withheld or collected with respect to the RSUs.

8. Investment Purpose. Any and all shares of Common Stock acquired by the Awardee under this Agreement will be acquired for investment for the Awardee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such shares of Common Stock within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). The Awardee shall not sell, transfer or otherwise dispose of such shares unless they are either (1) registered under the Securities Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

9. Securities Law Restrictions. Regardless of whether the offering and sale of shares of Common Stock issuable to Awardee pursuant to this Agreement and the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such shares of Common Stock (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

10. Lock-Up Agreement. The Awardee, in the event that any shares of Common Stock which become deliverable to Awardee with respect to RSUs at a time during which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Awardee shall agree to restrictions on transferability of the shares of such Common Stock comparable to the restrictions agreed upon by such directors or officers of the Company.

11. Awardee Obligations. The Awardee should review this Agreement with his or her own tax advisors to understand the federal, state, local and foreign tax consequences of the transactions contemplated by this Agreement. The Awardee will rely solely on such advisors and not on any statements or representations of the Company or any of its agents, if any, made to the Awardee. The Awardee (and not the Company) shall be responsible for the Awardee's own tax liability arising as a result of the transactions contemplated by this Agreement.

12. No Guarantee of Continued Service. The Awardee acknowledges and agrees that (i) nothing in this Agreement or the Plan confers on the Awardee any right to continue an employment, service or consulting relationship with the Company, nor shall it affect in any way the Awardee's right or the Company's right to terminate the Awardee's employment, service, or consulting relationship at any time, with or without cause, subject to any employment or service agreement that may have been entered into by the Company and the Awardee; and (ii) the Company would not have granted this Award to the Awardee but for these acknowledgements and agreements.

13. Notices. Notices or communications to be made hereunder shall be in writing and shall be delivered in person, by registered mail, by confirmed facsimile or by a reputable overnight courier service to the Company at its principal office or to the Awardee at his or her address contained in the records of the Company. Alternatively, notices and other communications may be provided in the form and manner of such electronic means as the Company may permit.

14. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Award Agreement constitute the entire Agreement with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Awardee with respect to the subject matter hereof, and except as provided in the Plan or in this Agreement, may not be modified adversely to the Awardee's interest except by means of a writing signed by the Company and the Awardee. In the event of any conflict between this Award Agreement and the Plan, the Plan shall be controlling. This Award Agreement shall be construed under the laws of the State of Delaware, without regard to conflict of laws principles.

15. Opportunity for Review. Awardee and the Company agree that this Award is granted under and governed by the terms and conditions of the Plan and this Award Agreement. The Awardee has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. The Awardee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Award Agreement. The Awardee further agrees to notify the Company upon any change in Awardee's residence address.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and the Awardee and their respective permitted successors, assigns, heirs, beneficiaries and representatives.

17. Section 409A Compliance. To the extent that this Agreement and the award of RSUs hereunder are or become subject to the provisions of Section 409A of the Code, the Company and the Awardee agree that this Agreement may be amended or modified by the Company, in its sole discretion and without the Awardee's consent, as appropriate to maintain compliance with the provisions of Section 409A of the Code.

18. Recoupment. In the event the Company restates its financial statements due to material noncompliance with any financial reporting requirements under applicable securities laws, any payments made or shares issued pursuant to this Agreement for or in respect of the year that is restated, or the prior three years, may be recovered to the extent the payments made or shares issued exceed the amount that would have been paid or issued based on the restatement. In addition and without limitation of the foregoing, any amounts paid hereunder shall be subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company or as is otherwise required by applicable law or stock exchange listing conditions.

*[Signature Page Follows]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in Exhibit A.

DERMATA THERAPEUTICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AWARDEE

Name: \_\_\_\_\_

**EXHIBIT A**

**DERMATA THERAPEUTICS, INC.**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

(a). **Awardee's Name:** \_\_\_\_\_

(b). **Award Date:** \_\_\_\_\_

(c). **Number of Restricted Stock Units Granted:** \_\_\_\_\_

(d). **Vesting Commencement Date:** \_\_\_\_\_

(e). **Vesting Schedule:** The shares underlying the RSU shall vest, monthly over 12 months, commencing on the Vesting Commencement Date (each such date, a "Vesting Date") and vesting on each monthly anniversary thereafter if the Awardee is, and has been, continuously providing services to the Company, Dermata Therapeutics, Inc. or any of it the Company's Affiliates (as defined in the Dermata Therapeutics, Inc. 2021 Omnibus Equity Incentive Plan) from the Vesting Commencement Date through such Vesting Date; provided that, upon a Deemed Liquidation Event (as defined in the Company's Certificate of Incorporation), so long as the Awardee has been continuously providing services to the Company, Dermata Therapeutics, Inc. or any of the Company's Affiliates from the Vesting Commencement Date through the day immediately prior to the date of the consummation of the Deemed Liquidation Event, all of the Awardee's then unvested shares underlying the RSU Award shall vest upon the consummation of such Deemed Liquidation Event.

\_\_\_\_\_(Initials)  
Awardee

\_\_\_\_\_(Initials)  
Company Signatory