

**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): September 10, 2019

Zafgen, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-36510
(Commission
File Number)

20-3857670
(I.R.S. Employer
Identification No.)

3 Center Plaza, Suite 610
Boston, Massachusetts
(Address of principal executive offices)

02108
(Zip Code)

Registrant's telephone number, including area code (617) 622-4003

Not Applicable

(Former name or former address, if changed since last report)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ZFGN	NASDAQ Global Market

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

Emerging growth company

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

Item 2.05 Costs Associated with Exit or Disposal Activities.

On September 10, 2019, the Compensation Committee (the “Compensation Committee”) of the Board of Directors of Zafgen, Inc. (the “Company”) commenced a reduction in force and retention plan. The reduction in force includes reducing employees by approximately 48%, and when combined with the reduction in force announced on July 24, 2019 and other attrition in 2019, results in a total reduction of employees of approximately 70%. The retention plan is designed to retain the employees required to explore and consummate a strategic transaction as previously announced. As a result, the Company expects to incur personnel-related restructuring charges of (a) approximately \$2.0 million in connection with one-time employee termination costs, including severance and other benefits, which is expected to be incurred primarily in the third quarter of 2019, and (b) approximately \$5.4 million in connection with one-time employee retention costs, including severance, retention bonuses and other benefits, which is expected to be incurred primarily upon the consummation of the strategic transaction. Of the \$5.4 million retention costs, \$2.6 million was previously guaranteed under existing severance and change-in-control agreements (each, a “Severance Agreement”).

In addition, the Company expects to have non-personnel related expense savings in the fourth quarter of 2019 as compared to the fourth quarter of 2018 of approximately 80%.

The estimates of costs that the Company expects to incur and the timing thereof are subject to a number of assumptions and actual results may differ.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**(e) Compensatory Arrangements of Certain Officers**

In connection with the retention plan referenced in Item 2.05 of this Current Report, the Compensation Committee also approved the following matters on September 10, 2019:

Amendments to Severance Agreements

The Compensation Committee approved the Company’s entering into amendments to the Severance Agreements (each, a “Severance Amendment”) with each of Jeffrey Hatfield, the Company’s Chief Executive Officer, Patricia Allen, the Company’s Chief Financial Officer, and Brian McVeigh, the Company’s Chief Business Officer (each, an “Executive”). The Severance Amendments are attached hereto as Exhibits 10.1, 10.2 and 10.3 hereto and incorporated herein by reference. The following summary is qualified in its entirety by the provisions of the Severance Agreements, as amended.

Under the Severance Amendments, each Executive’s Severance Agreement is amended to provide that if a “Terminating Event” (as defined in the applicable Severance Agreement, as amended) occurs, the Executive shall be entitled to, in addition to the other severance benefits specified therein, the Executive’s target annual incentive compensation in effect.

Each Executive's Severance Agreement is further amended to include the following provisions that will only apply during the period between the effective date of the Severance Amendment through and including the later of (i) September 1, 2020 or (ii) the date that is 12 months after a "Change in Control" (as defined in the applicable Severance Agreement, as amended) in the event that a Change in Control occurs on or before September 1, 2020:

(A) in the event the Executive experiences a Terminating Event within the three (3) months immediately prior to a Change in Control that occurs between the effective date of the Severance Amendment through and including September 1, 2020, the Executive is entitled to the severance benefits that he or she would receive under the Severance Agreement if such Terminating Event had occurred on or within the twelve (12) months immediately following a Change in Control, and

(B) in the event the Executive experiences a Terminating Event within the three (3) months immediately prior to a Change in Control that occurs on or before September 1, 2020 or within the twelve (12) months immediately following a Change in Control that occurs on or before September 1, 2020, then the exercise period with respect to the Executive's vested stock options will not expire until the earlier of (i) the original ten (10) year expiration date for such vested stock options as provided in the applicable option agreement, or (ii) two (2) years after the Executive's date of termination.

Each Executive's right to benefits under the Severance Agreement, as amended, is subject to his or her executing a release of claims in favor of the Company upon the termination of his or her employment.

Annual Bonuses

The Compensation Committee approved annual incentive compensation for the year ending December 31, 2019 for each of the Executives at 100% corporate goals level, to be payable following the end of such year or otherwise subject to the terms of the Executive's Severance Agreement, as amended.

Retention Bonuses

The Compensation Committee approved a retention cash bonus for Jeffrey Hatfield in an amount equal to 2.0 times his target annual incentive compensation for the fiscal year ending December 31, 2019, to be payable within 10 days following the signing of the definitive agreement with respect to a Change in Control so long as the signing date occurs on or before March 31, 2020 and he remains employed with the Company on the signing date, provided, further, that if he is terminated without "Cause" (as defined in the applicable Severance Agreement, as amended) prior to the signing date, then he will be paid such retention cash bonus by the earlier of (x) his last severance payment under the Severance Agreement, as amended, and (y) March 15 of the calendar year following the calendar year in which the termination occurs.

The Compensation Committee also approved retention cash bonuses for (i) Brian McVeigh in an amount equal to 1.5 times his target annual incentive compensation for the fiscal year ending December 31, 2019, and (ii) Patricia Allen in an amount equal to 1.5 times her target annual incentive compensation for the fiscal year ending December 31, 2020, in each case to be payable within 10 days following the closing of a Change in Control so long as he or she remains employed with the Company on the date of such closing, provided, further, that if he or she is terminated without Cause prior to such closing, then he or she will be paid such retention cash bonus by the earlier of (x) the last severance payment under the Severance Agreement, as amended, and (y) March 15 of the calendar year following the calendar year in which the termination occurs.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	<u>First Amendment to Severance and Change-in-Control Agreement for Jeffrey Hatfield dated September 12, 2019.</u>
10.2	<u>First Amendment to Severance and Change-in-Control Agreement for Patricia Allen dated September 12, 2019.</u>
10.3	<u>First Amendment to Severance and Change-in-Control Agreement for Brian McVeigh dated September 12, 2019.</u>

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K contains statements that relate to future events and expectations, including those relating to the reduction in force and retention plan (including the Company's expectations regarding estimated costs and anticipated completion date) and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect the Company's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and changes in circumstances that are difficult to predict. Although the Company believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Additional information concerning factors that could cause actual results to differ materially from those projected in the forward-looking statements is contained in the Company's filings with the U.S. Securities and Exchange Commission. The Company disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

* * *

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.

Date: September 12, 2019

ZAFGEN, INC.

By: /s/ Jeffrey S. Hatfield
Jeffrey S. Hatfield
Chief Executive Officer

**FIRST AMENDMENT TO
SEVERANCE AND CHANGE IN CONTROL AGREEMENT**

This First Amendment to Severance and Change in Control Agreement (this “Amendment”) is entered into and effective as of September 12, 2019, by and between Zafgen, Inc., a Delaware corporation (the “Company”), and Jeffrey Hatfield (the “Employee”).

WHEREAS, the Company and the Employee are parties to a Severance and Change in Control Agreement dated as of October 9, 2017 (the “Severance and Change in Control Agreement”);

WHEREAS, the Company and the Employee wish to amend certain provisions of the Severance and Change in Control Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Severance and Change in Control Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby accepted and acknowledged by the Employee and the Company, the parties agree as follows:

1. Section 4 of the Severance and Change in Control Agreement is hereby amended and restated in its entirety as follows:

4. Change in Control Payment. In the event a Terminating Event occurs on or within the 12 months immediately after a Change in Control (such 12-month period, the “Change in Control Period”), subject to the Employee signing a separation agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities (but other than claims or future claims (i) for the payments to be made, benefits to be provided and equity awards to be accelerated to or with regard to the Employee pursuant to this Agreement, (ii) for indemnification at law, pursuant to the Company’s certificate of incorporation and/or by-laws, any other written agreement between the Company and the Employee, and any governing document concerning a group benefit plan provided by or sponsored by the Company and in which the Employee is a participant, administrator or fiduciary, (iii) as the holder of securities of the Company, or (iv) for insurance coverage or costs of defense available to the Employee under any policy maintained by the Company), confidentiality, return of property and non-disparagement, in a form and manner reasonably satisfactory to the Company (the “Separation Agreement and Release”) and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter time period set forth in the Separation Agreement and Release), the following shall occur:

(a) the Company shall pay to the Employee an amount equal to the sum of (A) 18 months of the Employee’s annual Base Salary in effect immediately prior to the Terminating Event (or the Employee’s annual base salary in effect immediately prior to the Change in Control, if higher) plus (B) the Employee’s target annual incentive compensation in effect immediately prior to the Terminating Event (or the Covered Employee’s target annual incentive compensation in effect immediately prior to the Change in Control, if higher);

(b) if the Employee was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Employee a monthly cash payment for 18 months, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee (and his eligible dependents) if the Employee had remained employed by the Company;

(c) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all solely time-based stock options and other stock-based awards with solely time-based vesting held by the Employee shall immediately accelerate and become fully exercisable or nonforfeitable as of the Employee's Date of Termination; provided that any awards granted to the Employee that are solely performance-based and/or performance and time-based will be governed by the terms of the applicable award agreement; and

(d) the amounts payable under this Section 4 shall be paid out in a lump sum commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year by the last day of such 60-day period; provided further, that the payments under this Section 4 shall be reduced by the amount, if any, that the Employee is paid in the same such calendar year pursuant to a garden leave payment in a noncompetition agreement.

2. Section 5 of the Severance and Change in Control Agreement is hereby amended and restated in its entirety as follows:

5. Severance Outside the Change in Control Period. In the event a Terminating Event occurs at any time other than during the Change in Control Period, subject to the Employee signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter time period set forth in the Separation Agreement and Release), the following shall occur:

(a) the Company shall pay to the Employee an amount equal to the sum of (A) 12 months of the Employee's annual Base Salary in effect immediately prior to the Terminating Event plus (B) the Employee's target annual incentive compensation in effect immediately prior to the Terminating Event;

(b) if the Employee was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Employee a monthly cash payment for 12 months in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee (and his eligible dependents) if the Employee had remained employed by the Company; and

(c) the amounts payable under this Section 5 shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 12 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination, and the payments under this Section 5 shall be reduced by the amount, if any, that the Employee is paid in the same such calendar year pursuant to a garden leave payment in a noncompetition agreement.

3. Notwithstanding anything to the contrary in this Amendment or the Severance and Change in Control Agreement, this Section 3 of the Amendment shall only apply during the period between the effective date of the Amendment through and including the later of (i) September 1, 2020 or (ii) the date that is 12 months after a Change in Control in the event that a Change in Control occurs on or before September 1, 2020, after which this Section 3 shall be of no further force and effect.

(a) 3-Month Lookback Period. In the event the Employee experiences a Terminating Event within the 3 months immediately prior to a Change in Control, and the Change in Control occurs between the effective date of the Amendment through and including September 1, 2020 and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 5 of the Severance and Change in Control Agreement, then the Employee will receive the benefits set forth in Section 4 of the Severance and Change in Control Agreement following the occurrence of a Change in Control; provided that the lump sum amount under Section 4 to be paid to the Employee following the occurrence of a Change in Control will be decreased by any previously paid benefits to the Employee pursuant to Section 5, and the Employee will receive no further benefits pursuant to Section 5. In no event may there be duplication of benefits under Section 4 and Section 5.

(b) Treatment of Unvested Equity. In the event the Employee experiences a Terminating Event on or prior to September 1, 2020 and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 5 of the Severance and Change in Control Agreement, then notwithstanding anything to the contrary in the applicable option agreement or stock-based award agreement, any termination or forfeiture of the unvested portion of the Employee's solely time-based stock options or other stock-based awards with solely time-based vesting that would otherwise occur on the Date of

Termination in the absence of this Amendment will be delayed until the earlier of (i) the date that is 3 months after the Date of Termination or (ii) September 1, 2020 and will only occur if the vesting pursuant to Section 4(c) of the Severance and Change in Control Agreement does not occur due to the non-occurrence of a Change in Control during such period. For the avoidance of doubt, the termination or forfeiture of the unvested portion of any awards granted to the Employee that are solely performance-based and/or performance and time-based will be governed by the terms of the applicable award agreement.

(c) Extended Exercise Period. In the event the Employee experiences a Terminating Event within the 3 months immediately prior to a Change in Control that occurs on or before September 1, 2020 or within the 12 months immediately following a Change in Control that occurs on or before September 1, 2020, and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 4 of the Severance and Change in Control Agreement, then notwithstanding anything to the contrary in the applicable option agreement or stock-based award agreement, the exercise period with respect to the Employee's vested stock options shall not expire until the earlier of (i) the original 10-year expiration date for such vested stock options as provided in the applicable option agreement, or (ii) two years after the Date of Termination.

4. All payments made by the Company to the Employee under the Severance and Change in Control Agreement, as amended by this Amendment, shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Amendment or the Severance and Change in Control Agreement shall be construed to require the Company to make any payments to compensate the Employee for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

5. All other provisions of the Severance and Change in Control Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Severance and Change in Control Agreement except to the extent specifically provided for herein.

6. The validity, interpretation, construction and performance of this Amendment and the Severance and Change in Control Agreement, as amended herein, shall be governed by the laws of the Commonwealth of Massachusetts without regard to principles of conflict of laws of such state that would require the application of the laws of any other jurisdiction. The parties hereby consent to personal jurisdiction of the state and federal courts situated within Massachusetts for purposes of enforcing this Amendment, and waive any objection that he or it might have to personal jurisdiction or venue in those courts.

7. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

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

ZAFGEN, INC.

By: /s/ Patricia L. Allen
Name: Patricia L. Allen
Title: Chief Financial Officer

/s/ Jeffrey Hatfield
Jeffrey Hatfield

**FIRST AMENDMENT TO
SEVERANCE AND CHANGE IN CONTROL AGREEMENT**

This First Amendment to Severance and Change in Control Agreement (this “Amendment”) is entered into and effective as of September 12, 2019, by and between Zafgen, Inc., a Delaware corporation (the “Company”), and Patricia L. Allen (the “Employee”).

WHEREAS, the Company and the Employee are parties to a Severance and Change in Control Agreement dated as of June 30, 2016 (the “Severance and Change in Control Agreement”);

WHEREAS, the Company and the Employee wish to amend certain provisions of the Severance and Change in Control Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Severance and Change in Control Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby accepted and acknowledged by the Employee and the Company, the parties agree as follows:

1. Section 4 of the Severance and Change in Control Agreement is hereby amended and restated in its entirety as follows:

4. Change in Control Payment. In the event a Terminating Event occurs on or within the 12 months immediately after a Change in Control (such 12-month period, the “Change in Control Period”), subject to the Employee signing a separation agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities (but other than claims or future claims (i) for the payments to be made, benefits to be provided and equity awards to be accelerated to or with regard to the Employee pursuant to this Agreement, (ii) for indemnification at law, pursuant to the Company’s certificate of incorporation and/or by-laws, any other written agreement between the Company and the Employee, and any governing document concerning a group benefit plan provided by or sponsored by the Company and in which the Employee is a participant, administrator or fiduciary, (iii) as the holder of securities of the Company, or (iv) for insurance coverage or costs of defense available to the Employee under any policy maintained by the Company), confidentiality, return of property and non-disparagement, in a form and manner reasonably satisfactory to the Company (the “Separation Agreement and Release”) and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter time period set forth in the Separation Agreement and Release), the following shall occur:

(a) the Company shall pay to the Employee an amount equal to the sum of (A) 12 months of the Employee's annual base salary in effect immediately prior to the Terminating Event (or the Employee's annual base salary in effect immediately prior to the Change in Control, if higher) plus (B) the Employee's target annual incentive compensation in effect immediately prior to the Terminating Event (or the Covered Employee's target annual incentive compensation in effect immediately prior to the Change in Control, if higher);

(b) if the Employee was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Employee a monthly cash payment for 12 months, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee (and her eligible dependents) if the Employee had remained employed by the Company;

(c) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all solely time-based stock options and other stock-based awards with solely time-based vesting held by the Employee shall immediately accelerate and become fully exercisable or nonforfeitable as of the Employee's Date of Termination; provided that any awards granted to the Employee that are solely performance-based and/or performance and time-based will be governed by the terms of the applicable award agreement; and

(d) the amounts payable under this Section 4 shall be paid out in a lump sum commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year by the last day of such 60-day period; provided further, that the payments under this Section 4 shall be reduced by the amount, if any, that the Employee is paid in the same such calendar year pursuant to a garden leave payment in a noncompetition agreement.

2. Section 5 of the Severance and Change in Control Agreement is hereby amended and restated in its entirety as follows:

5. Severance Outside the Change in Control Period. In the event a Terminating Event occurs at any time other than during the Change in Control Period, subject to the Employee signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter time period set forth in the Separation Agreement and Release), the following shall occur:

(a) the Company shall pay to the Employee an amount equal to the sum of (A) 9 months of the Employee's annual base salary in effect immediately prior to the Terminating Event plus (B) the Employee's target annual incentive compensation in effect immediately prior to the Terminating Event;

(b) if the Employee was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Employee a monthly cash payment for 9 months in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee (and her eligible dependents) if the Employee had remained employed by the Company; and

(c) the amounts payable under this Section 5 shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 9 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination, and the payments under this Section 5 shall be reduced by the amount, if any, that the Employee is paid in the same such calendar year pursuant to a garden leave payment in a noncompetition agreement.

3. Notwithstanding anything to the contrary in this Amendment or the Severance and Change in Control Agreement, this Section 3 of the Amendment shall only apply during the period between the effective date of the Amendment through and including the later of (i) September 1, 2020 or (ii) the date that is 12 months after a Change in Control in the event that a Change in Control occurs on or before September 1, 2020, after which this Section 3 shall be of no further force and effect.

(a) 3-Month Lookback Period. In the event the Employee experiences a Terminating Event within the 3 months immediately prior to a Change in Control, and the Change in Control occurs between the effective date of the Amendment through and including September 1, 2020 and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 5 of the Severance and Change in Control Agreement, then the Employee will receive the benefits set forth in Section 4 of the Severance and Change in Control Agreement following the occurrence of a Change in Control; provided that the lump sum amount under Section 4 to be paid to the Employee following the occurrence of a Change in Control will be decreased by any previously paid benefits to the Employee pursuant to Section 5, and the Employee will receive no further benefits pursuant to Section 5. In no event may there be duplication of benefits under Section 4 and Section 5.

(b) Treatment of Unvested Equity. In the event the Employee experiences a Terminating Event on or prior to September 1, 2020 and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 5 of the Severance and Change in Control Agreement, then notwithstanding anything to the contrary in the applicable option agreement or stock-based award agreement, any termination or forfeiture of the unvested portion of the Employee's solely time-based stock options or other stock-based awards with solely time-based vesting that would otherwise occur on the Date of

Termination in the absence of this Amendment will be delayed until the earlier of (i) the date that is 3 months after the Date of Termination or (ii) September 1, 2020 and will only occur if the vesting pursuant to Section 4(c) of the Severance and Change in Control Agreement does not occur due to the non-occurrence of a Change in Control during such period. For the avoidance of doubt, the termination or forfeiture of the unvested portion of any awards granted to the Employee that are solely performance-based and/or performance and time-based will be governed by the terms of the applicable award agreement.

(c) Extended Exercise Period. In the event the Employee experiences a Terminating Event within the 3 months immediately prior to a Change in Control that occurs on or before September 1, 2020 or within the 12 months immediately following a Change in Control that occurs on or before September 1, 2020, and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 4 of the Severance and Change in Control Agreement, then notwithstanding anything to the contrary in the applicable option agreement or stock-based award agreement, the exercise period with respect to the Employee's vested stock options shall not expire until the earlier of (i) the original 10-year expiration date for such vested stock options as provided in the applicable option agreement, or (ii) two years after the Date of Termination.

4. All payments made by the Company to the Employee under the Severance and Change in Control Agreement, as amended by this Amendment, shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Amendment or the Severance and Change in Control Agreement shall be construed to require the Company to make any payments to compensate the Employee for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

5. All other provisions of the Severance and Change in Control Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Severance and Change in Control Agreement except to the extent specifically provided for herein.

6. The validity, interpretation, construction and performance of this Amendment and the Severance and Change in Control Agreement, as amended herein, shall be governed by the laws of the Commonwealth of Massachusetts without regard to principles of conflict of laws of such state that would require the application of the laws of any other jurisdiction. The parties hereby consent to personal jurisdiction of the state and federal courts situated within Massachusetts for purposes of enforcing this Amendment, and waive any objection that he or it might have to personal jurisdiction or venue in those courts.

7. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

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

ZAFGEN, INC.

By: /s/ Jeffrey Hatfield
Name: Jeffrey Hatfield
Title: Chief Executive Officer

/s/ Patricia L. Allen
Patricia L. Allen

**FIRST AMENDMENT TO
SEVERANCE AND CHANGE IN CONTROL AGREEMENT**

This First Amendment to Severance and Change in Control Agreement (this “Amendment”) is entered into and effective as of September 12, 2019, by and between Zafgen, Inc., a Delaware corporation (the “Company”), and Brian P. McVeigh (the “Employee”).

WHEREAS, the Company and the Employee are parties to a Severance and Change in Control Agreement dated as of May 29, 2018 (the “Severance and Change in Control Agreement”);

WHEREAS, the Company and the Employee wish to amend certain provisions of the Severance and Change in Control Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Severance and Change in Control Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby accepted and acknowledged by the Employee and the Company, the parties agree as follows:

1. Section 4 of the Severance and Change in Control Agreement is hereby amended and restated in its entirety as follows:

4. Change in Control Payment. In the event a Terminating Event occurs on or within the 12 months immediately after a Change in Control (such 12-month period, the “Change in Control Period”), subject to the Employee signing a separation agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities (but other than claims or future claims (i) for the payments to be made, benefits to be provided and equity awards to be accelerated to or with regard to the Employee pursuant to this Agreement, (ii) for indemnification at law, pursuant to the Company’s certificate of incorporation and/or by-laws, any other written agreement between the Company and the Employee, and any governing document concerning a group benefit plan provided by or sponsored by the Company and in which the Employee is a participant, administrator or fiduciary, (iii) as the holder of securities of the Company, or (iv) for insurance coverage or costs of defense available to the Employee under any policy maintained by the Company), confidentiality, return of property and non-disparagement, in a form and manner reasonably satisfactory to the Company (the “Separation Agreement and Release”) and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter time period set forth in the Separation Agreement and Release), the following shall occur:

(a) the Company shall pay to the Employee an amount equal to the sum of (A) 12 months of the Employee's annual base salary in effect immediately prior to the Terminating Event (or the Employee's annual base salary in effect immediately prior to the Change in Control, if higher) plus (B) the Employee's target annual incentive compensation in effect immediately prior to the Terminating Event (or the Covered Employee's target annual incentive compensation in effect immediately prior to the Change in Control, if higher);

(b) if the Employee was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Employee a monthly cash payment for 12 months, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee (and his eligible dependents) if the Employee had remained employed by the Company;

(c) notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, all solely time-based stock options and other stock-based awards with solely time-based vesting held by the Employee shall immediately accelerate and become fully exercisable or nonforfeitable as of the Employee's Date of Termination; provided that any awards granted to the Employee that are solely performance-based and/or performance and time-based will be governed by the terms of the applicable award agreement; and

(d) the amounts payable under this Section 4 shall be paid out in a lump sum commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year by the last day of such 60-day period; provided further, that the payments under this Section 4 shall be reduced by the amount, if any, that the Employee is paid in the same such calendar year pursuant to a garden leave payment in a noncompetition agreement.

2. Section 5 of the Severance and Change in Control Agreement is hereby amended and restated in its entirety as follows:

5. Severance Outside the Change in Control Period. In the event a Terminating Event occurs at any time other than during the Change in Control Period, subject to the Employee signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter time period set forth in the Separation Agreement and Release), the following shall occur:

(a) the Company shall pay to the Employee an amount equal to the sum of (A) 9 months of the Employee's annual base salary in effect immediately prior to the Terminating Event plus (B) the Employee's target annual incentive compensation in effect immediately prior to the Terminating Event;

(b) if the Employee was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Employee a monthly cash payment for 9 months in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee (and his eligible dependents) if the Employee had remained employed by the Company; and

(c) the amounts payable under this Section 5 shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 9 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination, and the payments under this Section 5 shall be reduced by the amount, if any, that the Employee is paid in the same such calendar year pursuant to a garden leave payment in a noncompetition agreement.

3. Notwithstanding anything to the contrary in this Amendment or the Severance and Change in Control Agreement, this Section 3 of the Amendment shall only apply during the period between the effective date of the Amendment through and including the later of (i) September 1, 2020 or (ii) the date that is 12 months after a Change in Control in the event that a Change in Control occurs on or before September 1, 2020, after which this Section 3 shall be of no further force and effect.

(a) 3-Month Lookback Period. In the event the Employee experiences a Terminating Event within the 3 months immediately prior to a Change in Control, and the Change in Control occurs between the effective date of the Amendment through and including September 1, 2020 and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 5 of the Severance and Change in Control Agreement, then the Employee will receive the benefits set forth in Section 4 of the Severance and Change in Control Agreement following the occurrence of a Change in Control; provided that the lump sum amount under Section 4 to be paid to the Employee following the occurrence of a Change in Control will be decreased by any previously paid benefits to the Employee pursuant to Section 5, and the Employee will receive no further benefits pursuant to Section 5. In no event may there be duplication of benefits under Section 4 and Section 5.

(b) Treatment of Unvested Equity. In the event the Employee experiences a Terminating Event on or prior to September 1, 2020 and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 5 of the Severance and Change in Control Agreement, then notwithstanding anything to the contrary in the applicable option agreement or stock-based award agreement, any termination or forfeiture of the unvested portion of the Employee's solely time-based stock options or other stock-based awards with solely time-based vesting that would otherwise occur on the Date of

Termination in the absence of this Amendment will be delayed until the earlier of (i) the date that is 3 months after the Date of Termination or (ii) September 1, 2020 and will only occur if the vesting pursuant to Section 4(c) of the Severance and Change in Control Agreement does not occur due to the non-occurrence of a Change in Control during such period. For the avoidance of doubt, the termination or forfeiture of the unvested portion of any awards granted to the Employee that are solely performance-based and/or performance and time-based will be governed by the terms of the applicable award agreement.

(c) Extended Exercise Period. In the event the Employee experiences a Terminating Event within the 3 months immediately prior to a Change in Control that occurs on or before September 1, 2020 or within the 12 months immediately following a Change in Control that occurs on or before September 1, 2020, and the Employee has signed a Separation Agreement and Release that has become irrevocable and is entitled to the benefits under Section 4 of the Severance and Change in Control Agreement, then notwithstanding anything to the contrary in the applicable option agreement or stock-based award agreement, the exercise period with respect to the Employee's vested stock options shall not expire until the earlier of (i) the original 10-year expiration date for such vested stock options as provided in the applicable option agreement, or (ii) two years after the Date of Termination.

4. All payments made by the Company to the Employee under the Severance and Change in Control Agreement, as amended by this Amendment, shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Amendment or the Severance and Change in Control Agreement shall be construed to require the Company to make any payments to compensate the Employee for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

5. All other provisions of the Severance and Change in Control Agreement shall remain in full force and effect according to their respective terms, and nothing contained herein shall be deemed a waiver of any right or abrogation of any obligation otherwise existing under the Severance and Change in Control Agreement except to the extent specifically provided for herein.

6. The validity, interpretation, construction and performance of this Amendment and the Severance and Change in Control Agreement, as amended herein, shall be governed by the laws of the Commonwealth of Massachusetts without regard to principles of conflict of laws of such state that would require the application of the laws of any other jurisdiction. The parties hereby consent to personal jurisdiction of the state and federal courts situated within Massachusetts for purposes of enforcing this Amendment, and waive any objection that he or it might have to personal jurisdiction or venue in those courts.

7. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[Remainder of Page Intentionally Left Blank]

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

ZAFGEN, INC.

By: /s/ Jeffrey Hatfield
Name: Jeffrey Hatfield
Title: Chief Executive Officer

/s/ Brian P. McVeigh
Brian P. McVeigh