

**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 10, 2019**

Kiniksa Pharmaceuticals, Ltd.

(Exact name of Registrant as Specified in Its Charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

001-730430
(Commission
File Number)

98-1327726
(I.R.S. Employer
Identification No.)

**Kiniksa Pharmaceuticals, Ltd.
Clarendon House
2 Church Street
Hamilton HM11, Bermuda
(808) 451-3453**

(Address, zip code and telephone number, including area code of principal executive offices)

**Kiniksa Pharmaceuticals Corp.
100 Hayden Avenue
Lexington, MA, 02421
(781) 431-9100**

(Address, zip code and telephone number, including area code of agent for service)

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Shares \$0.000273235 par value	KNSA	The Nasdaq Global Select Market

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

Emerging growth company

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

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

On December 10, 2019, the Compensation Committee (the “Committee”) of the Board of Directors of Kiniksa Pharmaceuticals, Ltd. (the “Company”) (i) approved the Company’s Riloncept Long-Term Incentive Plan (the “Plan”) to incentivize eligible employees of the Company or any of its subsidiaries to achieve approval by the U.S. Food and Drug Administration for the commercial sale and marketing in the United States of riloncept for the treatment of recurrent pericarditis (the “Milestone”) and (ii) granted the awards described below to the initial participants in the Plan.

Under the Plan, participants may receive a cash award (“Cash Award”) and two grants of restricted share unit (“RSU”) awards covering the Company’s Class A common shares (“Shares”) under the Company’s 2018 Incentive Award Plan. The target award value for each of the Cash Award and the two RSU awards will be equal to one-third of a participant’s annual target bonus for the year of grant, adjusted to reflect the participant’s full-time equivalent status and hire date in accordance with the Plan.

The Cash Award covers a target cash amount equal to the target award value. The Cash Award is eligible to be earned upon the Committee’s certification of the Milestone achievement (the “Milestone Date”) with respect to an amount equal to the target award value multiplied by an earnout percentage (as described below), subject to adjustment upward or downward by the Committee taking into account individual performance and other factors.

The first RSU award (“First RSU Award”) covers a target number of Shares equal to the target award value divided by the average closing price of the Shares for the 30-calendar-day period ending on the day prior to the grant date (“Target RSUs”). The number of Shares issuable pursuant to the First RSU Award as a result of the Milestone Date will equal the Target RSUs multiplied by the earnout percentage (the “Achieved RSUs”), and such Achieved RSUs will vest in a single installment on the first anniversary of the Milestone Date, subject to continued employment on such date.

The second RSU award (“Second RSU Award”) will be granted upon the Milestone Date and will cover a number of Shares equal to (i) the target award value divided by the average closing price of the Shares for the 30-calendar-day period ending on the day prior to the grant date, multiplied by (ii) the sum of the earnout percentage and the upside earnout percentage (as described below). The Second RSU Award will vest in a single installment on the second anniversary of the Milestone Date, subject to continued employment through such date.

Depending on the date-range within which the Milestone Date occurs, (i) the earnout percentage can be achieved as to 100%, 50%, 25% or 0% and (ii) the upside earnout percentage can be achieved as to 50%, 25% or 0%. No awards will be earned or vest, and the Second RSU Award will not be granted, in the event the Milestone Date does not occur by a specified date.

In the event of a change in control of the Company where the awards under the Plan are assumed or substituted by the successor entity, if a participant is terminated without “cause” or resigns for “good reason” (each, as defined in the Plan) on or within 12 months following the change in control, each outstanding award under the Plan will vest in full, provided that if the Milestone Date has not occurred by the date of such termination, the Cash Award and First RSU Award will be deemed earned as if the Milestone Date had occurred on the date of such termination, but participants will forfeit their opportunity to receive the Second RSU Award.

If awards under the Plan are not assumed or substituted in connection with the change in control, the Cash Award shall become payable (to the extent not yet paid), the First RSU Award will become fully vested, and the Second RSU Award will be granted (to the extent not yet granted) and fully vested, in each case, immediately prior to the change in control, subject to the participant’s continued employment through such time. For the purposes of the foregoing, if the Milestone Date has not occurred as of the change in control, the Milestone Date will be deemed to have occurred upon the change in control, and the earnout percentage and upside earnout percentage will be determined based on the date of the change in control.

The target value of each award for the Company's principal executive officer, principal financial officer and each additional named executive officer (as defined under applicable securities laws), is as follows: (i) for Sanj K. Patel, Chief Executive Officer and Chairman of the Board of Directors, a Cash Award target of \$167,310, a First RSU Award target of 18,555 Shares and a Second RSU Award target value based on one-third of his annual target bonus in the year of grant; (ii) for Chris Heberlig, Chief Financial Officer, a Cash Award target of \$52,899, a First RSU Award target of 5,866 Shares and a Second RSU Award target value based on one-third of his annual target bonus in the year of grant; and (iii) for John F. Paolini, Ph.D., Senior Vice President and Chief Medical Officer, a Cash Award target of \$51,178, a First RSU Award target of 5,676 Shares and a Second RSU Award target value based on one-third of his annual target bonus in the year of grant.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1*	Kiniksa Pharmaceuticals, Ltd. Rilonacept Long-Term Incentive Plan
10.2	Form of Performance Restricted Share Unit and Performance Cash Award Grant Notice and Agreement under the Rilonacept Long-Term Incentive Plan
10.3	Form of Restricted Share Unit Grant Notice and Agreement under the Rilonacept Long-Term Incentive Plan

* Certain information contained in this exhibit has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

SIGNATURES

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

KINIKSA PHARMACEUTICALS, LTD.

Date: December 16, 2019

By: /s/ Thomas Beetham
Thomas Beetham
Chief Legal Officer

KINIKSA PHARMACEUTICALS, LTD.

RILONACEPT LONG-TERM INCENTIVE PLAN

Effective Date: December 10, 2019

1. **PURPOSE.** This Kiniksa Pharmaceuticals, Ltd. Rilonacept Long-Term Incentive Plan (the “Plan”) is intended to increase stockholder value and the success of the Company by motivating and retaining selected Participants to achieve the Company’s objectives. The Plan goals are to be achieved by providing such Participants with cash and restricted share unit award opportunities, where the grant, payment or vesting, as applicable, of the Awards shall be based on FDA approval of the commercial sale and marketing of rilonacept in the United States for the treatment of recurrent pericarditis. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Section 2 of the Plan.

2. **DEFINITIONS.**

- (a) “**Award**” shall mean a Cash Award or an RSU Award granted to a Participant under the Plan.
- (b) “**Board**” shall mean the Board of Directors of the Company.
- (c) “**Cause**” shall have the meaning set forth in the Equity Incentive Plan.
- (d) “**Change in Control**” shall have the meaning set forth in the Equity Incentive Plan.
- (e) “**Code**” shall mean the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.
- (f) “**Committee**” shall mean the Compensation Committee of the Board.
- (g) “**Common Shares**” shall mean the Class A Common Shares of the Company.
- (h) “**Company**” shall mean Kiniksa Pharmaceuticals, Ltd., a Bermuda exempted company.
- (i) “**Earnout Percentage**” shall mean:
- (i) In the event the FDA Milestone is achieved before [***], 100%;
 - (ii) In the event the FDA Milestone is achieved on or after [***] and before [***], 50%;
 - (iii) In the event the FDA Milestone is achieved on or after [***] and before [***], 25%; or
 - (iv) In the event the FDA Milestone is achieved on or after [***], 0%.

*Certain information in this Exhibit marked as [***] has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would be competitively harmful if publicly disclosed.*

(j) “**Effective Date**” shall mean December 10, 2019.

(k) “**Eligible Employee**” shall mean each employee of the Company or its Subsidiaries (i) whose customary employment is for 20 or more hours per week as of the date the employee is issued an Award or (ii) who is otherwise designated as an Eligible Employee by the Board or the Committee.

(l) “**Equity Incentive Plan**” shall mean the Kiniksa Pharmaceuticals, Ltd. 2018 Incentive Award Plan, as may be amended from time to time.

(m) “**Expiration Date**” shall mean [***].

(n) “**FDA**” shall mean the U.S. Food and Drug Administration.

(o) “**FDA Milestone**” shall mean the Committee’s certification on or prior to the Expiration Date of the approval by the FDA for the commercial sale and marketing of rilonacept in the United States by the Company or any of the Company’s partners for the treatment of recurrent pericarditis, based on the clinical trial data from the RHAPSODY Phase 3 clinical trial.

(p) “**Good Reason**” shall mean, with respect to a Participant holding an Award, “Good Reason” (or any term of similar effect) as defined in the Participant’s employment agreement with the Company or a Subsidiary if such an agreement exists and contains a definition of Good Reason (or term of similar effect). For the avoidance of doubt, if no such agreement exists or such agreement does not contain a definition of Good Reason (or term of similar effect), the term “Good Reason” as used in this Plan shall have no effect.

(q) “**Participant**” shall mean an Eligible Employee who (i) meets the eligibility requirements described in Section 4 of the Plan or (ii) is otherwise designated as a Participant by the Committee.

(r) “**RSU Award**” shall mean a restricted share unit award granted under the Equity Incentive Plan, which grant shall be subject to the terms of the Plan, the Equity Incentive Plan (including the Sub-Plan for UK Employees with respect to RSU Awards granted to Participants based in the United Kingdom) and a restricted share unit agreement between the Company and the Participant.

(s) “**sBLA Filing Date**” shall mean the submission of a supplemental Biologics License Application to the FDA for rilonacept in the United States by the Company or any of the Company’s partners for the treatment of recurrent pericarditis.

(t) “**Subsidiary**” shall have the meaning set forth in the Equity Incentive Plan.

(u) “**Target Award Value**”, with respect to an Award, shall mean one-third of the Participant’s target annual bonus for the fiscal year in which the applicable Award is granted (determined as of the date of grant of such Award), as adjusted pursuant to Sections 4(b) and/or 4(c) hereof, as applicable, expressed as a specific dollar amount, as determined by the Committee.

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(v) “Upside Earnout Percentage” shall mean:

- (i) In the event the FDA Milestone is achieved before [***], 50%; or
- (ii) In the event the FDA Milestone is achieved on or after [***] and before [***], 25%.

3. **ADMINISTRATION.** The Plan shall be administered by the Committee. The Committee shall have full authority to make rules and establish administrative procedures in connection with the Plan, to interpret the Plan and those rules and procedures, to determine Target Award Values, to approve the granting of, or the payment of, as applicable, all of the Awards, and to make all other determinations, including factual determinations, and to take all other actions necessary or appropriate for the proper administration of the Plan, including the delegation of such authority or power, where appropriate and consistent with applicable law. All decisions, determinations, and interpretations by the Committee shall be final and binding on the Company and all Participants. The Board may, at any time and from time to time, vest in itself or otherwise exercise any authority or duties of the Committee under the Plan.

4. **ELIGIBILITY; PARTICIPATION; ADJUSTMENTS.**

(a) **Current Employees in Good Standing.** Unless otherwise determined by the Committee in its discretion, each Eligible Employee who is in good standing (and not on a performance improvement plan) as of the Effective Date, as determined by the Committee in its discretion, shall automatically be deemed a Participant as of such date and shall be eligible for the grant of Awards set forth in Section 5 hereunder, subject to his or her continued employment in good standing with the Company or a Subsidiary on the applicable grant date. The Committee may designate future Participants from Eligible Employees who are removed from a performance improvement plan or based on such other considerations it deems appropriate, in its discretion.

(b) **Newly Hired Employees.** Absent any determination by the Committee to the contrary, each Eligible Employee who is newly hired by the Company or a Subsidiary prior to the earlier of the sBLA Filing Date and [***] (the “**New Hire Cut Off Date**”) shall automatically be deemed a Participant as of his or her first day of employment with the Company or the Subsidiary and shall be eligible for the grant of the Awards set forth in Section 5 hereunder, subject to his or her continued employment in good standing with the Company or a Subsidiary on the applicable grant date. Notwithstanding the foregoing, the Target Award Value for each Award granted to such Participant shall be prorated by multiplying the Target Award Value by the percentage set forth in the table below opposite such Participant’s employment commencement date, subject to the New Hire Cut Off Date.

Employment Commencement Date	Percentage
Prior to [***]	80%
On or after [***] and before [***]	60%
On or after [***] and before [***]	40%
On or after [***] and before [***]	20%

*Certain information in this Exhibit marked as [***] has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would be competitively harmful if publicly disclosed.*

For the avoidance of doubt, (i) any Eligible Employees hired by the Company or a Subsidiary on or after the New Hire Cut Off Date shall not be eligible to participate in the Plan and (ii) any proration pursuant to the foregoing sentence shall be in addition to any applicable proration under Section 4(c) below.

(c) **FTE Adjustment.** The Target Award Value for an Award granted to each Participant that is employed at between 50% and 100% of full-time equivalent as of an applicable grant date shall be prorated by multiplying such Target Award Value by such Participant's then-current percentage of full-time equivalent at which he or she is employed. For the avoidance of doubt, any proration pursuant to the foregoing sentence shall be in addition to any applicable proration under Section 4(b) above.

5. AWARDS.

(a) **Cash Award.** As soon as administratively practicable following the date on which an Eligible Employee becomes a Participant, the Committee shall grant the Participant a cash bonus award (a "**Cash Award**"), which will be eligible to be earned upon achievement of the FDA Milestone as to an amount equal to the Target Award Value multiplied by the Earnout Percentage, provided, however, that prior to the occurrence of a Change in Control, such amount, if any, may be adjusted upward or downward by the Committee in its discretion, after taking into account individual performance and any other factors it deems relevant (such amount, the "**Earned Cash Award**"). The Company shall pay the Earned Cash Award to each Participant in a lump sum cash payment, less applicable withholdings, within the next two payroll cycles following achievement of the FDA Milestone, but in any event no later than 45 calendar days following achievement of the FDA Milestone.

(b) **First RSU Award.** As soon as administratively practicable following the date on which an Eligible Employee becomes a Participant, the Committee shall grant the Participant an RSU Award (the "**First RSU Award**") covering a target number of Common Shares (the "**Target RSUs**") equal to the Target Award Value divided by the average closing price of the Common Shares during the 30 calendar days ending on the day prior to the grant date, as determined by the Committee. The number of Common Shares issuable pursuant to the First RSU Award upon achievement of the FDA Milestone will be equal to the Target RSUs multiplied by the Earnout Percentage (the "**Achieved RSUs**"), and the Achieved RSUs will vest in single installment on the first year anniversary of the achievement of the FDA Milestone, subject to the Participant's continued employment with the Company or a Subsidiary on such vesting date and Section 6 below.

(c) **Second RSU Award.** On the date the FDA Milestone is achieved, the Committee will grant each Participant who is then an Eligible Employee and who is in good standing (and not on a performance improvement plan), as determined by the Committee in its discretion, an RSU Award (the "**Second RSU Award**") covering a number of Common Shares equal to (i) the Target Award Value divided by the average closing price of the Common Shares during the 30 calendar days ending on the day prior to the grant date, as determined by the Committee, multiplied by (ii) the sum of the Earnout Percentage and the Upside Earnout Percentage. The Second RSU Award will vest on the second year anniversary of the FDA Milestone, subject to the Participant's continued employment with the Company or a Subsidiary on such vesting date and Section 6 below.

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(d) **Termination; Forfeiture.** Subject to Section 6 below,

(i) In the event of a Participant's termination of employment with the Company or a Subsidiary prior to the achievement of the FDA Milestone (with respect to a Cash Award) or vesting date (with respect to an RSU Award), the Award shall immediately and automatically be canceled and forfeited, unless otherwise determined by the Committee;

(ii) Any RSUs subject to the First RSU Award that do not become Achieved RSUs as of the achievement of the FDA Milestone shall automatically be canceled and forfeited as of the date of the FDA Milestone, unless otherwise determined by the Committee; and

(iii) In the event the FDA Milestone is not achieved on or prior to the Expiration Date, all outstanding Cash Awards, outstanding First RSU Awards and any opportunity to receive the Second RSU Award shall automatically be canceled and forfeited on the Expiration Date, unless otherwise determined by the Committee.

6. CHANGE IN CONTROL. Notwithstanding anything herein to the contrary:

(a) In the event a Participant's Award (or portion thereof) is assumed or substituted for by the successor or surviving entity in connection with a Change in Control and the Participant's employment is terminated by the Company, a Subsidiary or a successor entity without Cause or due to the Participant's resignation for Good Reason (if applicable), in either case, on or within 12 months following the Change in Control (the date of such termination, the "**Qualifying Termination Date**"):

(i) If the FDA Milestone *has not been achieved* on or before the Qualifying Termination Date, (x) the Participant's outstanding Cash Award shall be earned as of the Qualifying Termination Date and shall be payable upon, and paid within 30 days following, the Qualifying Termination Date with respect to an amount equal to the Target Award Value multiplied by an Earnout Percentage determined as if the FDA Milestone had been achieved on the Qualifying Termination Date; (y) with respect to the Participant's outstanding First RSU Award, the Achieved RSUs will be determined as if the FDA Milestone had been achieved on the Qualifying Termination Date and will vest in full upon the Qualifying Termination Date, and any remaining portion of the First RSU Award that does not become Achieved RSUs will immediately be canceled and forfeited; and (z) for the avoidance of doubt, the Participant will forfeit any opportunity to be granted the Second RSU Award.

(ii) If the FDA Milestone *has been achieved* on or before the Qualifying Termination Date, (x) the Participant's Cash Award (to the extent unpaid) shall be payable upon, and be paid within 30 days following, the Qualifying Termination Date; (y) with respect to the Participant's First RSU Award, the Achieved RSUs (to the extent unvested) will vest in full as of the Qualifying Termination Date; and (z) with respect to the Second RSU Award, (1) if the Award has not been granted, the Second RSU Award (or an equivalent number of Common Shares) will be granted and vest in full on the Qualifying Termination Date or (2) if the Award has been granted and has not vested, the Participant's outstanding Second RSU Award will vest in full as of the Qualifying Termination Date.

*Certain information in this Exhibit marked as [***] has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would be competitively harmful if publicly disclosed.*

(b) In the event a Participant's Award (or portion thereof) is *not assumed or substituted for* by the successor or surviving entity in connection with a Change in Control:

(i) If the FDA Milestone *has not been achieved* on or before the date of the Change in Control, the FDA Milestone shall be deemed to have been achieved upon the occurrence of the Change in Control, and the Earnout Percentage and Upside Earnout Percentage will be determined based on the date of the Change in Control, and (x) the Participant's Cash Award shall be payable upon, and will be paid within 30 days following, the Change in Control, subject to the Participant's continued employment with the Company or a Subsidiary as of immediately prior to the Change in Control; (y) with respect to the Participant's First RSU Award, the Achieved RSUs will vest in full immediately prior to the Change in Control, subject to the Participant's continued employment with the Company or a Subsidiary as of immediately prior to the Change in Control, and any remaining RSUs subject to the First RSU Award will immediately be canceled and forfeited; and (z) the Second RSU Award (or an equivalent number of Common Shares) will be granted and be fully vested as of immediately prior to the Change in Control, subject to the Participant's continued employment with the Company or a Subsidiary as of immediately prior to the Change in Control.

(ii) If the FDA Milestone *has been achieved* on or before the date of the Change in Control, (x) the Participant's Cash Award (to the extent unpaid) shall be payable upon, and be paid within 30 days following, the Change in Control; (y) with respect to the Participant's First RSU Award, the Achieved RSUs (to the extent unvested) will vest in full immediately prior to the Change in Control, subject to the Participant's continued employment with the Company or a Subsidiary as of immediately prior to the Change in Control; and (z) with respect to the Second RSU Award, (1) if the Award has not been granted, the Second RSU Award (or an equivalent number of Common Shares) will be granted and be fully vested immediately prior to the Change in Control, subject to the Participant's continued employment with the Company or a Subsidiary as of immediately prior to the Change in Control, or (2) if the Award has been granted and has not vested, the Participant's outstanding Second RSU Award will vest in full immediately prior to the Change in Control, subject to the Participant's continued employment with the Company or a Subsidiary as of immediately prior to the Change in Control.

7. **NO RIGHT TO EMPLOYMENT OR AWARD.** Selection to participate in the Plan shall not confer upon any employee any right with respect to continued employment by the Company or a Subsidiary or continued participation in the Plan. Furthermore, the Company and each Subsidiary reaffirms its at-will relationship with its employees and expressly reserves the right at any time to terminate the employment of a Participant free from any liability or claim for benefits pursuant to the Plan, except as required under applicable law or provided under this Plan, other written plan adopted by the Company or a Subsidiary or written agreement between the Company or a Subsidiary and the Participant.

*Certain information in this Exhibit marked as [***] has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would be competitively harmful if publicly disclosed.*

8. DISCRETION OF COMPANY AND COMMITTEE. Any decision made or action taken by the Company or by the Committee arising out of or in connection with the creation, amendment, construction, administration, interpretation or effect of the Plan shall be within the sole and absolute discretion of the Company or the Committee, as the case may be, and shall be conclusive and binding upon all persons. To the maximum extent possible, no member of the Committee shall have any liability for actions taken or omitted under the Plan by such member or any other person.

9. NO FUNDING OF PLAN. Neither the Company nor any Subsidiary shall be required to fund or otherwise segregate any cash or any other assets which may at any time be paid to Participants under the Plan. The Plan shall constitute an “unfunded” plan of the Company. The Company shall not, by any provisions of the Plan, be deemed to be a trustee of any property, and any rights of any Participant shall be no greater than those of a general unsecured creditor or stockholder of the Company, as the case may be.

10. NON-TRANSFERABILITY OF BENEFITS AND INTERESTS. Except as expressly provided by the Committee, no benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, any such attempted action shall be void, and no such benefit shall be in any manner liable for or subject to debts, contracts, liabilities, engagements or torts of any Participant. This Section 10 shall not apply to an assignment of a contingency or payment due (i) after the death of a Participant to the deceased Participant’s legal representative or beneficiary, or (ii) after the disability of a Participant to the disabled Participant’s personal representative.

11. NON-EXCLUSIVITY. The Plan does not limit the authority of the Company, the Board or the Committee, or any current or future Subsidiary of the Company to grant awards or authorize any other compensation to any person under any other plan or authority, other than that specifically prohibited herein.

12. AMENDMENT OR TERMINATION. The Board and the Committee each reserve the right at any time to make any changes in the Plan as it may consider desirable or may suspend, discontinue or terminate the Plan at any time; provided that following the occurrence of a Change in Control, the Plan may not be amended or modified in any manner that materially decreases the payments or benefits payable with respect to an outstanding Award or otherwise materially adversely affects a Participant’s economic rights with respect to an outstanding Award. Unless earlier terminated pursuant to the preceding sentence, the Plan shall terminate upon the earliest to occur of (i) the Expiration Date, provided that the FDA Milestone has not been achieved by such date, (ii) unless otherwise determined by the Board or the Committee, the date on which it is no longer possible for the Company to achieve the FDA Milestone, or (iii) the payment of all amounts payable hereunder.

*Certain information in this Exhibit marked as [***] has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would be competitively harmful if publicly disclosed.*

13. NON-U.S. PARTICIPANTS; INCORPORATION OF EQUITY INCENTIVE PLAN. The Committee may modify the terms of Awards granted to Participants who are citizens or residents of a country other than the United States or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters. The Plan is established under and subject to the terms of the Equity Incentive Plan, including the Sub-Plan for UK Employees with respect to Awards granted to Participants based in the United Kingdom. Accordingly, if there is a conflict between the terms of the Plan and the Equity Incentive Plan, the terms of the Equity Incentive Plan will control.

* * * * *

*Certain information in this Exhibit marked as [***] has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would be competitively harmful if publicly disclosed.*

KINIKSA PHARMACEUTICALS, LTD. 2018 INCENTIVE AWARD PLAN
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PERFORMANCE RESTRICTED SHARE UNIT AND PERFORMANCE CASH AWARD GRANT NOTICE

Capitalized terms not specifically defined in this Performance Restricted Share Unit and Performance Cash Award Grant Notice (the “**Grant Notice**”) have the meanings given to them in the 2018 Incentive Award Plan (as amended from time to time, the “**Plan**”) or the Riloncept Long-Term Incentive Plan (as amended from time to time, the “**RLTIP**”) of Kiniksa Pharmaceuticals, Ltd. (the “**Company**”).

The Company has granted to the participant listed below (“**Participant**”) the Performance Restricted Share Units (the “**RSUs**”) and performance cash bonus award (the “**Cash Award**”) described in this Grant Notice, subject to the terms and conditions of the Plan, the RLTIP and the Restricted Share Unit and Cash Award Agreement attached as **Exhibit A** (the “**Agreement**”), all of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date:

Target Number of RSUs:¹

RSU Vesting Schedule:

Subject to the terms of the Agreement (i) upon achievement of the FDA Milestone, a number of RSUs will become eligible to vest (the “**Achieved RSUs**”) as determined by the Administrator in accordance with the RLTIP and (ii) the Achieved RSUs will vest in a single installment on the first anniversary of the achievement of the FDA Milestone.

Target Cash Award:²

Cash Award Vesting Schedule:

Subject to the terms of the Agreement, the Cash Award will be earned upon achievement of the FDA Milestone and paid in an amount determined by the Administrator in accordance with the RLTIP (the “**Earned Cash Award**”).

By Participant’s signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan, the RLTIP and the Agreement. Participant has reviewed the Plan, the RLTIP, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, the RLTIP, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the RLTIP, this Grant Notice or the Agreement.

¹ Target Award Value, as determined in accordance with the RLTIP.

² Target Award Value, as determined in accordance with the RLTIP.

KINIKSA PHARMACEUTICALS, LTD.

PARTICIPANT

By: _____
Name: _____
Title: _____

[Participant Name]

PERFORMANCE RESTRICTED SHARE UNIT AND PERFORMANCE CASH AWARD AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan or the RLTIP.

**ARTICLE I.
GENERAL**

1.1 Award of RSUs and Dividend Equivalents.

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the “**Grant Date**”). Each RSU represents the right to receive one Share or, at the option of the Company, an amount of cash, in either case, as set forth in this Agreement. Participant will have no right to the distribution of any Shares or payment of any cash until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a “**Dividend Equivalent Account**”) for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid.

1.2 Cash Award. The Company has granted the Cash Award to Participant effective as of the Grant Date, which represents the right to receive an amount in cash pursuant to the terms of the RLTIP and this Agreement. Participant will have no right to the payment of the Cash Award until the time (if ever) the Cash Award has been earned, and Participant acknowledges that the amount of the Earned Cash Award will be paid and determined as set forth in the RLTIP.

1.3 Incorporation of Terms of Plan and RLTIP. The RSUs and the Cash Award are subject to the terms and conditions set forth in this Agreement and the Plan and the RLTIP, which are incorporated herein by reference. In the event of any inconsistency between the Plan or the RLTIP and this Agreement, the terms of the Plan and the RLTIP will control.

1.4 Unsecured Promise. The RSUs, Cash Award and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company’s general assets.

**ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT**

2.1 Vesting; Forfeiture; Change in Control.

(a) The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. The Cash Award will be earned as set forth in the Grant Notice. In the event of Participant’s termination of employment with the Company or a Subsidiary for any reason, all unvested RSUs and any unearned Cash Award will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company and subject to Section 2.1(b) below. In addition, in the event it is no longer possible for the Company to achieve the FDA Milestone, all unvested RSUs and any unearned Cash Award will immediately and automatically be cancelled and forfeited for no consideration, unless otherwise determined by the Administrator. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

(b) Notwithstanding the foregoing, in the event of a Change in Control, the RSUs and Cash Award will be treated as set forth in Section 6 of the RLTIIP.

2.2 Settlement.

(a) RSUs and Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash at the Company's option as soon as administratively practicable after the vesting of the RSUs, but in no event more than sixty (60) days after the RSUs' vesting date. The Earned Cash Award will be paid in cash as set forth in the RLTIIP. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(b) If an RSU is paid in cash, the amount of cash paid with respect to the RSU will equal the Fair Market Value of a Share on the day immediately preceding the payment date. If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

**ARTICLE III.
TAXATION AND TAX WITHHOLDING**

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding.

(a) Unless the Administrator otherwise determines, the Company will (i) withhold from amounts otherwise payable under the Award in cash an amount that the Company determines to be necessary to satisfy applicable tax withholding obligations arising as a result of such cash payment under the Award and (ii) withhold from the Shares otherwise issuable under the Award a number of whole Shares which have a fair market value on the date of such withholding that the Company determines to be necessary to satisfy applicable tax withholding obligations arising as a result of such issuance of Shares under the Award.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, the Cash Award and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs, the Cash Award or the Dividend Equivalents, and that, except as set forth in Section 3.2(a), all such taxes must be satisfied in accordance with Section 9.5 of the Plan. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs, the Cash Award or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs, the Cash Award or Dividend Equivalents to reduce or eliminate Participant's tax liability.

**ARTICLE IV.
OTHER PROVISIONS**

4.1 Adjustments. Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement, the RLTIIP and the Plan.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the RLTIIP, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, the RLTIIP, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the RLTIIP or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RLTIIP, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the RLTIIP, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan and the RLTIIP confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, including the RLTIIP, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, the Cash Award and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs, the Cash Award and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

4.10 Not a Contract of Employment. Nothing in the Plan, the RLTIIP, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

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**KINIKSA PHARMACEUTICALS, LTD.
2018 INCENTIVE AWARD PLAN**

RESTRICTED SHARE UNIT GRANT NOTICE

Capitalized terms not specifically defined in this Restricted Share Unit Grant Notice (the “**Grant Notice**”) have the meanings given to them in the 2018 Incentive Award Plan (as amended from time to time, the “**Plan**”) or the Riloncept Long-Term Incentive Plan (as amended from time to time, the “**RLTIP**”) of Kiniksa Pharmaceuticals, Ltd. (the “**Company**”).

The Company has granted to the participant listed below (“**Participant**”) the Restricted Share Units described in this Grant Notice (the “**RSUs**”), subject to the terms and conditions of the Plan, the RLTIP and the Restricted Share Unit Agreement attached as **Exhibit A** (the “**Agreement**”), all of which are incorporated into this Grant Notice by reference.

Participant:

Grant Date¹:

Number of RSUs²:

Vesting Schedule: Subject to the terms of the Agreement, the RSUs will vest in a single installment on the second anniversary of the Grant Date.

By Participant’s signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan, the RLTIP and the Agreement. Participant has reviewed the Plan, the RLTIP, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, the RLTIP, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the RLTIP, this Grant Notice or the Agreement.

KINIKSA PHARMACEUTICALS, LTD.

PARTICIPANT

By: _____
 Name: _____
 Title: _____

 [Participant Name]

¹ FDA Milestone achievement date.

² To be determined in accordance with the RLTIP based on the Target Award Value, the Earnout Percentage and Upside Earnout Percentage, all as determined in accordance with the RLTIP.

RESTRICTED SHARE UNIT AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan or the RLTIIP.

**ARTICLE I.
GENERAL**

1.1 Award of RSUs and Dividend Equivalents.

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the “**Grant Date**”). Each RSU represents the right to receive one Share or, at the option of the Company, an amount of cash, in either case, as set forth in this Agreement. Participant will have no right to the distribution of any Shares or payment of any cash until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent for ordinary cash dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share. The Company will establish a separate Dividend Equivalent bookkeeping account (a “**Dividend Equivalent Account**”) for each Dividend Equivalent and credit the Dividend Equivalent Account (without interest) on the applicable dividend payment date with the amount of any such cash paid.

1.2 Incorporation of Terms of Plan and RLTIIP. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan and the RLTIIP, which are incorporated herein by reference. In the event of any inconsistency between the Plan or the RLTIIP and this Agreement, the terms of the Plan and the RLTIIP will control.

1.3 Unsecured Promise. The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company’s general assets.

**ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT**

2.1 Vesting; Forfeiture; Change in Control.

(a) The RSUs will vest according to the vesting schedule in the Grant Notice except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant’s termination of employment with the Company or a Subsidiary for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company and subject to Section 2.1(b) below. In addition, in the event it is no longer possible for the Company to achieve the FDA Milestone, all unvested RSUs will immediately and automatically be cancelled and forfeited for no consideration, unless otherwise determined by the Administrator. Dividend Equivalents (including any Dividend Equivalent Account balance) will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent (including the Dividend Equivalent Account) relates.

(b) Notwithstanding the foregoing, in the event of a Change in Control, the RSUs will be treated as set forth in Section 6 of the RL TIP.

2.2 Settlement.

(a) RSUs and Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares or cash at the Company's option as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU's vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

(b) If an RSU is paid in cash, the amount of cash paid with respect to the RSU will equal the Fair Market Value of a Share on the day immediately preceding the payment date. If a Dividend Equivalent is paid in Shares, the number of Shares paid with respect to the Dividend Equivalent will equal the quotient, rounded down to the nearest whole Share, of the Dividend Equivalent Account balance divided by the Fair Market Value of a Share on the day immediately preceding the payment date.

ARTICLE III. TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding.

(a) Unless the Administrator otherwise determines, the Company will (i) withhold from amounts otherwise payable under the Award in cash an amount that the Company determines to be necessary to satisfy applicable tax withholding obligations arising as a result of such cash payment under the Award and (ii) withhold from the Shares otherwise issuable under the Award a number of whole Shares which have a fair market value on the date of such withholding that the Company determines to be necessary to satisfy applicable tax withholding obligations arising as a result of such issuance of Shares under the Award.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents, and that, except as set forth in Section 3.2(a), all such taxes must be satisfied in accordance with Section 9.5 of the Plan. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant's tax liability.

**ARTICLE IV.
OTHER PROVISIONS**

4.1 Adjustments. Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement, the RLTIIP and the Plan.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the RLTIIP, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, the RLTIIP, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the RLTIIP or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RLTIIP, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the RLTIIP, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan and the RLTIIP confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, including the RLTIIP, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

4.10 Not a Contract of Employment. Nothing in the Plan, the RLTIIP, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * * *