THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

STEPHEN BUSHANSKY, derivatively on behalf of ATHIRA PHARMA, INC., Plaintiff, vs. LEEN KAWAS, KELLY A. ROMANO, JOSEPH EDELMAN, JOHN M. FLUKE, JR., JAMES A. JOHNSON, BARBARA KOSACZ, and MARK LITTON, Defendants, and ATHIRA PHARMA, INC., Nominal Defendant.	Case No. 2:22-cv-497-TSZ **STIPULATION OF SETTLEMENT AND RELEASE AGREEMENT**
THOMAS HOULIHAN, derivatively on behalf of ATHIRA PHARMA, INC., Plaintiff, vs. LEEN H. KAWAS, KELLY A. ROMANO, JOSEPH EDELMAN, JOHN M. FLUKE, JR., JAMES A. JOHNSON, BARBARA KOSACZ, MARK LITTON, and KEVIN CHURCH, Defendants, and ATHIRA PHARMA, INC., Nominal Defendant.	Case No. 2:22-cv-620-TSZ

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This Stipulation of Settlement and Release Agreement (the "Stipulation") is made as of March 15, 2024, by and among the following Parties in the above-captioned consolidated derivative action and the litigation demands of Athira Pharma, Inc. stockholders Ali Soofi and Travis Vrana (collectively, the "Derivative Actions"): (i) Plaintiffs Stephen Bushansky and Thomas Houlihan, and Athira stockholders Ali Soofi and Travis Vrana (collectively, "Plaintiffs"), derivatively on behalf of Athira Pharma, Inc. ("Athira" or the "Company"), by and through Plaintiffs' Counsel (defined below); (ii) defendants Dr. Leen Kawas ("Kawas"), Kelly A. Romano ("Romano"), Joseph Edelman ("Edelman"), John M. Fluke, Jr. ("Fluke"), James A. Johnson ("Johnson"), Barbara Kosacz ("Kosacz"), Dr. Mark Litton ("Litton"), Glenna Mileson ("Mileson"), and Dr. Kevin Church ("Church") (collectively, the "Individual Defendants"); and (iii) Athira, as nominal defendant (collectively, with the Individual Defendants, the "Defendants"), by and through Defendants' Counsel (defined below). This Stipulation sets forth the terms and conditions of the settlement and resolution of the Derivative Actions (the "Settlement") and is intended by Plaintiffs and Defendants (collectively, the "Parties") to fully, finally, and forever release, discharge and settle all Released Claims (as defined below) as against the Released Parties (as defined below), subject to the approval of the United States District Court for the Western District of Washington (the "Court") and such approval becoming Final (as defined below).

I. <u>DESCRIPTION OF THE ACTION</u>

Athira is a late clinical-stage biopharmaceutical company focused on developing small molecules engineered to restore neuronal health and slow neurodegeneration. Athira is a Delaware corporation, and its common stock has traded on the Nasdaq Stock Market since the Company's September 18, 2020, initial public offering.

On April 14, 2022, Plaintiff Stephen Bushansky filed a Verified Stockholder Derivative Complaint on behalf of Athira, captioned *Bushansky v. Kawas, et al.*, Case No. 2:22-cv-497-TSZ (W.D. Wash.) (the "*Bushansky* Action"), asserting claims against defendants Kawas, Romano, Edelman, Fluke, Johnson, Kosacz, and Litton for: (i) violations of Section 14(a) of the Securities

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Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78n(a)(1), and SEC Rule 14a-9 promulgated thereunder; (ii) breach of fiduciary duty; (iii) contribution and indemnification; (iv) aiding and abetting; and (v) waste of corporate assets. The *Bushansky* Action also sought declaratory relief, costs and disbursements, and the institution of corporate governance reforms.

On May 6, 2022, Plaintiff Thomas Houlihan filed a Verified Stockholder Derivative Complaint on behalf of Athira, captioned *Houlihan v. Kawas, et al.*, Case No. 2:22-cv-620-TSZ (W.D. Wash.) (the "*Houlihan* Action"), asserting claims against defendants Kawas, Romano, Edelman, Fluke, Johnson, Kosacz, Litton, and Church for: (i) violations of Section 14(a) of the Exchange Act, 15 U.S.C. § 78n(a)(1), and SEC Rule 14a-9 promulgated thereunder; (ii) breach of fiduciary duty, (iii) gross mismanagement; (iv) breach of the duty of loyalty; (v) contribution; (vi) breach of the duty of candor; and (vii) indemnification. The *Houlihan* Action also sought declaratory relief, costs and disbursements, and the institution of corporate governance reforms.

On May 18, 2022, Plaintiff Stephen Bushansky, Plaintiff Thomas Houlihan, and the Defendants filed a stipulated motion and proposed order consolidating the *Bushansky* Action and the *Houlihan* Action, appointing Co-Lead Counsel, and staying all proceedings and deadlines until the Court decided the motion to dismiss in the related consolidated securities class action captioned *Nacif, et al. v. Athira Pharma Inc., et al*, Case No. 2:21-cv-00861-TSZ (W.D. Wash.) (the "Securities Class Action"). On May 26, 2022, the Court entered an Order granting the stipulated motion, consolidating the *Bushansky* Action and the *Houlihan* Action for all purposes under Case No. 2:22-cv-497-TSZ, appointing Weiss Law and Slyne Law LLC as Plaintiffs' Co-Lead Counsel, and staying the consolidated derivative action until further order of the Court.

On November 17, 2022, Athira stockholder Ali Soofi served a stockholder litigation demand on Athira's Board of Directors ("Board") requesting that it investigate and initiate litigation against Defendant Kawas as well as any other responsible Athira directors and/or officers for breach of fiduciary duty, corporate waste, unjust enrichment, contribution, indemnification, and all other appropriate claims ("Soofi Demand").

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In January 2023, Plaintiff Stephen Bushansky, Plaintiff Thomas Houlihan, and the Defendants agreed to mediate the claims asserted in the consolidated derivative action and on January 19, 2023, participated in a conference call with JAMS New York to agree on mediation protocols and procedures. On February 9, 2023, counsel for Plaintiffs Bushansky and Houlihan conveyed to Defendants' Counsel a detailed settlement demand, including a suite of proposed corporate governance reforms. On February 14, 2023, Athira's counsel responded by letter to Plaintiffs Bushansky's and Houlihan's settlement demand. On February 16, 2023, the parties to the *Bushansky* Action and the *Houlihan* Action attended a full-day, in-person mediation session in New York with Jed Melnick, Esq. (the "Mediator"), an experienced mediator at JAMS ADR, who was concurrently serving as the mediator in the Securities Class Action. The February 16, 2023 mediation session ended without reaching agreement.

On March 20, 2023, counsel for stockholder Ali Soofi served Defendants' Counsel a detailed settlement demand, including a detailed analysis and proposed corporate governance reforms. After Mr. Soofi made and served his settlement demand, Plaintiffs Stephen Bushansky and Thomas Houlihan and Ali Soofi agreed to work together cooperatively to ensure the best result for Athira and its stockholders.

On March 31, 2023, Athira's Board of Directors formed a Shareholder Demand & Derivative Lawsuits Committee ("Committee") comprised of directors Michael Panzara (Chair) and Grant Pickering, two independent directors who are not members of Athira's management, defendants in the Securities Class Action, or defendants or alleged wrongdoers in the Derivative Actions, and who are not alleged to have been involved in any way in the underlying alleged misconduct. The Committee was delegated the responsibility to oversee settlement negotiations of the aforementioned Derivative Actions and to provide a recommendation to the Board with respect thereto.

Plaintiffs Bushansky and Houlihan and Mr. Soofi, on the one hand, and the Defendants on the other hand, exchanged several written demands and responses after the first mediation session. When negotiations reached an impasse, they agreed to attend a second mediation session on May 18, 2023.

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Plaintiffs Bushansky, Houlihan, and Mr. Soofi, on the one hand, and Defendants, on the other hand, engaged in a frank discussion of the strengths and weaknesses of the claims and defenses at issue at the mediation. Ultimately, with the assistance of the Mediator, these parties reached agreement as to the principal terms of Settlement (defined below). On May 24, 2023, a term sheet was executed by Bushansky, Houlihan, Soofi, and Defendants, setting forth the corporate governance reforms (the "Governance Reforms") to be enacted as a result of this Settlement, attached hereto as Exhibits 1-4. On June 10, 2023, the Athira Board approved the Committee's recommendation to resolve the Derivative Actions by agreeing to adopt the Governance Reforms, subject to approval by the Court.

Plaintiffs Bushansky and Houlihan and Mr. Soofi, on the one hand, and Defendants, on the other hand, did not discuss the payment of attorney fees prior to reaching the terms of the Governance Reforms and executing the term sheet. Thereafter, Plaintiffs Bushansky and Houlihan and Mr. Soofi, on the one hand, and Athira, on the other hand, commenced negotiations regarding attorney fees. When those negotiations reached an impasse, they agreed to a third session with the Mediator, which was held on September 11, 2023. At that mediation session, Plaintiffs Bushansky and Houlihan and Mr. Soofi, on the one hand, and Athira, on the other hand, negotiated in good faith but did not reach an agreement on the attorneys' fees. Plaintiffs Bushansky and Houlihan and Mr. Soofi on the one hand, and Athira, on the other hand, continued to negotiate thereafter, with the assistance of the Mediator and ultimately reached an agreement on the attorneys' fees and expenses, subject to ¶ V (D) of this Stipulation and approval by the Court. The agreed upon Fee and Expense Amount (defined below) was approved by the Committee, with the assistance of independent counsel and in the exercise of its business judgment, and the Athira Board of Directors, in the exercise of its business judgment and upon the recommendation of the Committee.

II. <u>PLAINTIFFS' CLAIMS, AND THE BENEFITS OF SETTLEMENT</u>

Plaintiffs, by and through Plaintiffs' Counsel, have thoroughly considered the facts and law underlying the Derivative Actions and have conducted a substantial investigation relating to the claims and the underlying events alleged in the Derivative Actions, including: (i) reviewing and

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analyzing the Company's filings with the Securities and Exchange Commission; (ii) reviewing and analyzing press releases, announcements, transcripts of conference calls with financial analysts and investors, news articles, media reports, and other publicly available information concerning matters alleged in the Derivative Actions; (iii) reviewing and analyzing documents produced by Athira pursuant to a books and records demand under Section 220 of the Delaware General Corporation Law and a confidentiality agreement consisting of Athira board minutes and related materials concerning the facts and circumstances at issue; (iv) reviewing and analyzing the pleadings and other papers filed in the Securities Class Action; (v) reviewing and analyzing the Company's Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters of the Audit Committee and the Nominating and Corporate Governance Committee of Athira's Board of Directors; (vi) researching relevant information available from Washington State University, the U.S. Patent and Trademark Office, and the National Institute of Health concerning the facts and circumstances at issue; (vii) researching, drafting, and filing derivative complaints and preparing and serving a books and records inspection demand and litigation demands; (viii) researching the applicable law with respect to the claims asserted in the Derivative Actions and the potential defenses thereto; (ix) preparing detailed settlement demands; and (x) engaging in substantive, protracted settlement discussions with Defendants' counsel under the auspices of the Mediator.

Plaintiffs believe that the claims asserted in the Derivative Actions have merit. Nonetheless, Plaintiffs and Plaintiffs' Counsel also recognize and acknowledge the significant risk, expense, and length of the continued proceedings necessary to prosecute the Derivative Actions against the Individual Defendants through trial and appeal. Plaintiffs and Plaintiffs' Counsel also have considered the uncertain outcome and the risk of any litigation, especially in complex cases such as the Derivative Actions, as well as the difficulties and delays inherent in such litigation. Plaintiffs and Plaintiffs' Counsel are also mindful of the inherent problems of proving the violations asserted in the Derivative Actions.

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In consideration of the mediation sessions that led to the Settlement and after weighing the risks of continued litigation, Plaintiffs and Plaintiffs' Counsel have determined that it is in the best interests of Athira and its stockholders that the Derivative Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and that these terms and conditions are fair, reasonable, adequate, and confer substantial benefits on Athira and its stockholders.

The Defendants, and Plaintiffs Stephen Bushansky and Thomas Houlihan and Ali Soofi signed a term sheet that incorporates the agreed-upon Governance Reforms which will be enacted by Athira and its Board for a period of not less than five (5) years. Athira and its Board and Committee acknowledge that the Governance Reforms in the term sheet and exhibits thereto, as attached in Exhibits 1-4, have been agreed upon, subject to Court approval, as a result of the prosecution and resolution of the Derivative Actions and that they confer substantial benefits on Athira and its stockholders, and serve the best interests of the Company and its stockholders.

III. DENIALS OF WRONGDOING AND REASONS FOR SETTLEMENT

The Individual Defendants deny each and every one of the claims and contentions alleged in the Derivative Actions. The Individual Defendants believe they have substantial defenses to the claims alleged against them in the Derivative Actions and expressly deny any misconduct alleged in the Derivative Actions and further deny any fault, wrongdoing, legal liability, or violation of any laws arising out of any of the conduct alleged in the Derivative Actions. Neither this Stipulation, nor any document referred to herein, nor any action taken to carry out this Stipulation, is, may be construed as, or may be used as an admission by or against the Individual Defendants of any fault, wrongdoing, or liability whatsoever or the lack of merit of any defense that has been or could have been asserted to such claims and contentions.

The Individual Defendants nevertheless recognize that further litigation of the Derivative Actions against them would be protracted, expensive, and distracting. If the Derivative Actions are not settled, substantial amounts of time, energy, and resources will have to be devoted to the defense

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of the claims asserted in the Derivative Actions. The Individual Defendants have, therefore, determined that it is desirable and beneficial to them that the Derivative Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to eliminate the burden and expense of further protracted litigation.

IV. BOARD APPROVAL OF THE SETTLEMENT

The Shareholder Demand & Derivative Lawsuits Committee of Athira's Board of Directors, advised by independent counsel, participated in the negotiation of the proposed Settlement and recommended the proposed Settlement to Athira's Board of Directors. The Athira Board of Directors reviewed the proposed Settlement and the Committee's recommendation, and in an exercise of its independent business judgment, issued a resolution that the Settlement and its terms provide a substantial benefit to, and are in the best interests of, the Company and its stockholders and agreed to enact the Governance Reforms if the proposed Settlement is finally approved by the Court. A copy of the Board's resolution will be provided to Plaintiffs' Counsel.

V. TERMS OF THE STIPULATION

NOW THEREFORE, IT IS STIPULATED AND AGREED, by and among the Parties, through their respective counsel of record, that the Derivative Actions shall be fully and finally compromised and settled, that the Released Claims shall be released as against the Released Parties, and that the Derivative Actions shall be dismissed with prejudice, subject to the approval of the Court pursuant to Federal Rule of Civil Procedure 23.1(c), upon and subject to the following terms and conditions:

A. Definitions

1. "Athira" or the "Company" means Athira Pharma, Inc.

2. "Board" means Athira's Board of Directors.

3. "Committee" means the Shareholder Demand & Derivative Lawsuits Committee of the Board.

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4. "Current Athira Stockholders" means any Persons who hold or beneficially hold Athira common stock as of the date of the execution of this Stipulation and who continue to hold Athira common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, their spouses, and anyone (other than a tenant or employee) sharing the household of any Defendant.

5. "Defendants" means Athira and the Individual Defendants.

6. "Defendants' Counsel" means the law firms of Wilson Sonsini Goodrich & Rosati, P.C., Davis Wright Tremaine LLP, and Perkins Coie LLP.

7. "Derivative Actions" means the consolidated derivative actions captioned as *Bushansky v. Kawas, et al*., Case No. 2:22-cv-497-TSZ (W.D. Wash.), and *Houlihan v. Kawas, et al*., Case No. 2:22-cv-620-TSZ (W.D. Wash.), and the litigation demands of Athira stockholders Ali Soofi and Travis Vrana.

8. "Effective Date" means the first date by which all of the conditions set forth in ¶ V (G) (1) of this Stipulation have been met and occurred or have been waived in writing by the Parties.

9. "Fee and Expense Amount" means the agreed-upon amount of $1,150,000 to be paid to Plaintiffs' Counsel for attorneys' fees and expense reimbursement, subject to ¶ V (D) of this Stipulation and Court approval, as described in ¶ V (F) (1) of this Stipulation.

10. "Final" means, with respect to any order or Judgment of the Court, that such order or Judgment represents a final and binding determination of all issues within its scope and has not been reversed, vacated, or modified in any way and is no longer subject to appellate review, either because of disposition on appeal and conclusion of the appellate process or because of passage, without action, of time for seeking appellate review. Without limitation, an order or Judgment becomes Final when: (a) either no appeal therefrom has been filed and the time has passed for any notice of appeal to be timely filed therefrom; or (b) an appeal has been filed and either (i) the court of appeals has either affirmed the order or Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed, or (ii) a higher court has granted further appellate review and that court has either affirmed the underlying order or Judgment or affirmed the court of appeals' decision

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affirming the Judgment or dismissing the appeal. For the purposes of this paragraph, an "appeal" shall include any motion for reconsideration or petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement. However, any appeal seeking subsequent review pertaining solely to an order issued with respect to attorneys' fees, costs, or expenses shall not in any way delay or preclude the Judgment from becoming Final.

11. "Individual Defendants" means Dr. Leen Kawas, Kelly A. Romano, Joseph Edelman, John M. Fluke, Jr., James A. Johnson, Barbara Kosacz, Dr. Mark Litton, Glenna Mileson, and Dr. Kevin Church.

12. "Judgment" means the final order and judgment to be rendered by the Court, substantially in the form attached hereto as **Exhibit D**.

13. "Notice" means, collectively, the Summary Notice of Proposed Settlement of Stockholder Derivative Actions, Settlement Hearing, and Right to Appear, substantially in the form attached hereto as **Exhibit B** ("Summary Notice"), and the Notice of Proposed Settlement of Derivative Actions, Settlement Hearing and Right to Appear, substantially in the form attached hereto as **Exhibit C** ("Long Form Notice").

14. "Parties" means Plaintiffs and Defendants.

15. "Person" or "Persons" means any individual, corporation, limited-liability company, partnership, association, joint-stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or entity and their respective agents, spouses, heirs, predecessors, successors, personal representatives, representatives and assigns.

16. "Plaintiffs" means Stephen Bushansky, Thomas Houlihan, Ali Soofi, and Travis Vrana.

17. "Plaintiffs' Counsel" means Plaintiffs' Co-Lead Counsel: (i) Weiss Law, 305 Broadway, New York, NY 10007; and (ii) Slyne Law LLC, 800 Westchester Avenue, N641, Rye Brook, NY 10573; stockholder Ali Soofi's counsel: Johnson Fistel LLP, 501 West Broadway, Suite

800, San Diego, CA 92101; and stockholder Travis Vrana's counsel, who sent a demand to the Athira Board on September 7, 2023: Shuman Glenn & Stecker, 326 W. Lancaster Avenue, Ardmore, PA 19003.

18. "Released Claims" means any and all manner of claims, including any Unknown Claims, debts, demands, rights, interests, actions, suits, causes of action, cross-claims, counter-claims, charges, judgments, obligations, setoffs, or liabilities for any obligations of any kind whatsoever (however denominated), whether derivative, individual or otherwise in nature, for fees, costs, penalties, damages whenever incurred, and liabilities of any nature whatsoever (including, without limitation, direct or indirect claims or demands for rescission, damages, interest, and any other costs, expenses or liabilities whatsoever, including joint and several), whether based on federal, state, local, statutory or common law, in equity, or on any other law, rule, regulation, ordinance, contract, or the law of any foreign jurisdiction, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, asserted or unasserted, matured or unmatured, arising from or relating in any way to, directly or indirectly, any act or omission alleged or claims asserted in the Derivative Actions, or that could have been alleged or asserted on behalf of Athira, including those that were threatened, asserted, or could have been asserted by any of Athira's stockholders, or that Athira could have asserted directly, in any court, tribunal, forum or proceeding, against any of the Individual Defendants or the other Released Parties. It is understood that Released Claims shall not include (a) any claims to enforce the Settlement, including the Fee and Expense Amount as set out in ¶ V (D) (1) below and (b) any claims asserted in the Securities Class Action or included in a proposed settlement of the Securities Class Action.

19. "Released Parties" means all and each of the Defendants, and each and all of their respective present and former directors, officers, employees, partners, agents, attorneys, advisors (including financial or investment advisors), accountants, auditors, consultants, underwriters, investment bankers, commercial bankers, general or limited partners or partnerships, limited liability companies, joint ventures, insurers and reinsurers, predecessors, successors, assigns, estates,

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immediate family members, spouses, heirs, executors, trusts, trustees, and administrators, in their capacity as such.

20. "Securities Class Action" means the consolidated securities class action captioned *Nacif, et al. v. Athira Pharma, Inc., et al*., Case No. 2:21-cv-00861-TSZ (W.D. Wash.).

21. "Settlement" means the settlement set forth in this Stipulation and accompanying exhibits.

22. "Settlement Hearing" means the hearing required under Rule 23.1 of the Federal Rules of Civil Procedure, at or after which the Court will review the adequacy, fairness, and reasonableness of the Settlement and determine whether to enter a final judgment that is in substance materially the same as the [Proposed] Judgment attached hereto as **Exhibit D**, including the Fee and Expense Amount and Service Awards.

23. "Unknown Claims," as used herein and in the Judgment, means any claims that a Person granting a release hereunder does not know or suspect to exist in his, her, or its favor at the time of the release, including without limitation those that, if known, might have affected the decision to enter into or object to the Settlement of the Derivative Actions. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendants shall have expressly waived, and Athira and each of the other Current Athira Stockholders shall be deemed to have, and by operation of the Judgment entered by the Court shall have, waived, relinquished and released, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by any statute or law which is similar, comparable or equivalent to, or which has the effect of, California Civil Code § 1542, which provides:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

24. Plaintiffs and the Individual Defendants acknowledge, and Athira and all other Current Athira Stockholders by operation of law shall be deemed to have acknowledged, that they

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are aware that they may hereafter discover facts in addition to or different from those now known or believed to be true with respect to the subject matters of the Released Claims, but that it is the intention of Plaintiffs and the Individual Defendants, and of Athira and all other Current Athira Stockholders by operation of law, upon the Effective Date, to have, fully, finally, and forever settled and released any and all claims within the scope of the Released Claims against the Released Parties, whether known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, which now exist, may hereafter exist or may heretofore have existed, without regard to the subsequent discovery or existence of such different or additional facts. In entering and making this Stipulation, the Parties assume the risk of any mistake of fact or law and the release shall be irrevocable and remain in effect notwithstanding any mistake of fact or law. The Parties acknowledge, and Athira and all other Current Athira Stockholders by operation of law shall be deemed to have acknowledged, that this waiver and the inclusion of "Unknown Claims" in the definition of "Released Claims" were separately bargained for and are material elements of the Stipulation and were relied upon by each and all of the Parties in entering into the Stipulation and agreeing to the Settlement. All of the foregoing is the definition of "Unknown Claims."

B. Settlement Consideration

1. Within sixty (60) days of the entry of a Judgment approving the Settlement of the Derivative Actions by the Court, the Athira Board shall, as applicable, adopt resolutions and amend Board committee charters, corporate governance documents, and/or its Bylaws to ensure the adoption, implementation and maintenance of the Governance Reforms set forth in the attached Exhibits 1-4 hereto, which shall be implemented and maintained for a period of no less than five (5) years from the date of adoption. Athira, its Board, and the Committee acknowledge that Plaintiffs' efforts, including investigating, preparing, commencing, and prosecuting the Derivative Actions, were a material cause for the adoption, implementation, and maintenance of the Governance Reforms set forth in Exhibits 1-4 hereto.

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2. Athira, its Board, and the Committee acknowledge and agree that the Settlement consideration set forth in Exhibits 1-4 confers substantial benefits upon Athira and its stockholders and serves the best interests of the Company and its stockholders.

C. <u>The Preliminary Approval Order</u>

1. Promptly after execution of this Stipulation, Plaintiffs shall submit this Stipulation together with its exhibits to the Court and shall move for an order that is in substance materially the same as the proposed Order attached hereto as **Exhibit A** (the "Preliminary Approval Order"), which shall include provisions that:

a. Preliminarily approve the Settlement as embodied in this Stipulation as being fair, reasonable, and adequate;

b. Approve the form and manner of providing Notice of the Settlement to Current Athira Stockholders, as set forth in ¶ V (C) (2) below, and find that such Notice constitutes the best notice practicable under the circumstances, constitutes due and sufficient notice of the matters set forth in the Notices to all Persons entitled to receive notice, and fully satisfies the requirements of due process, Fed. R. Civ. P. 23.1, and all other applicable laws and rules;

c. Schedule a hearing to be held by the Court ("Settlement Hearing") on a date at least forty-five (45) calendar days after entry of the Preliminary Approval Order in order to determine: (i) whether the Settlement should be approved as fair, reasonable, and adequate; and (ii) whether a final judgment should be entered that is in substance materially the same as **Exhibit D** attached hereto, dismissing with prejudice the Derivative Actions;

d. Provide that any objections by Current Athira Stockholders to the Settlement shall be heard by the Court at the Settlement Hearing, and any papers submitted in support of said objections shall comply with the requirements for making objections set forth in the Notice and be mailed to Plaintiffs' Co-lead Counsel, David C. Katz of Weiss Law and Athira's Counsel, Gregory L. Watts of Wilson Sonsini Goodrich & Rosati, P.C., postmarked fourteen (14) days before the Settlement Hearing, or earlier. No later than ten (10) days before the Settlement Hearing, Plaintiffs'

Co-Lead Counsel, David C. Katz of Weiss Law, and Athira's Counsel, Gregory L. Watts of Wilson Sonsini Goodrich & Rosati, P.C., shall circulate to the attorneys for all other Parties copies of all written objections they have received from Current Athira Stockholders and, in connection with any motion for final approval of the proposed settlement, shall jointly file with the Court, an affidavit or declaration to which shall be attached copies of all written objections received from Current Athira Stockholders; and

e. Provide that, pending the Court's determination as to final approval of the Settlement, Plaintiffs and Plaintiffs' Counsel, and all other Persons, including but not limited to, Athira and any and all Current Athira Stockholders, are barred and enjoined from commencing, instituting, prosecuting, continuing to prosecute, participating in, or soliciting or encouraging the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any Released Claims against any of the Released Parties.

2. Notice to Current Athira Stockholders shall consist of the Summary Notice, substantially in the form attached hereto as **Exhibit B** ("Summary Notice"), and the Long Form Notice, substantially in the form attached hereto as **Exhibit C** ("Long Form Notice"). Notice shall be provided to Current Athira Stockholders as follows:

a. Within fourteen (14) business days after the entry of the Preliminary Approval Order, Athira shall cause to be issued a press release announcing the Settlement, and referring Current Athira Stockholders to Athira's Investor Relations webpage, located at https://investors.athira.com/, where the Long-Form Notice and the Stipulation will be posted in their entirety through the Effective Date of this Settlement;

b. Promptly after issuing the press release announcing the Settlement described in ¶ V (C) (2) (a) above, Athira will file with the SEC a Current Report on Form 8-K attaching the press release; and

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c. Within fourteen (14) business days after the entry of the Preliminary Approval Order, Athira shall cause the Summary Notice to be published once in *Investor's Business Daily*.

3. Athira will bear the costs of providing Notice to Current Athira Stockholders in the time and manner approved by the Court. At least twenty-one (21) calendar days prior to the Settlement Hearing, Athira's Counsel shall serve on Plaintiffs' Counsel and file with the Court an appropriate affidavit or declaration with respect to posting and publishing the Notice in the time and manner specified in the Preliminary Approval Order.

D. <u>The Fee and Expense Amount</u>

1. Athira, its Board, and the Committee acknowledge and agree that the Settlement confers substantial benefits upon the Company and its stockholders, and that Plaintiffs' Counsel are entitled to reasonable attorneys' fees and expenses in an amount commensurate with the value of the Settlement's benefits. In recognition thereof, and subject to Court approval, Athira has agreed to pay and/or cause to be paid a Fee and Expense Amount to Plaintiffs' Counsel in the agreed-upon amount of $1,150,000, which shall include all of Plaintiffs' Counsel's attorneys' fees and costs and any service awards to Plaintiffs for participation and efforts in the Derivative Actions ("Service Awards"). The Fee and Expense Amount will compensate Plaintiffs' Counsel for their efforts in achieving the results in the Derivative Actions. The Fee and Expense Amount was negotiated with the help of the Mediator and was the result of arm's-length negotiation between the Parties conducted after reaching an agreement as to the Governance Reforms. The Committee, with the assistance of independent counsel and in the exercise of its business judgment, and the Athira Board, in the exercise of business judgment upon the recommendation of the Committee, approved the Fee and Expense Amount of $1,150,000, subject to ¶ V (D) of this Stipulation and Court approval, as fair and reasonable under the circumstances of the Derivative Actions and in light of the benefits conferred upon Athira and its stockholders.

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2. The Fee and Expense Amount shall be paid within thirty (30) days of entry of an Order preliminarily approving the Settlement so long as Plaintiffs' Counsel has provided Athira with applicable wiring instructions and a completed Form W-9.

3. Plaintiffs' Counsel shall have a joint and several obligation to refund the Fee and Expense Amount to Athira if, and to the extent, it is reversed or modified on appeal, or if the Effective Date does not occur.

4. Plaintiffs' Counsel shall allocate the Fee and Expense Amount as agreed amongst themselves. Defendants and their respective counsel shall have no responsibility for, and no liability whatsoever with respect to, the allocation among Plaintiffs' Counsel of the Fee and Expense Amount. Any dispute regarding the allocation of fees or expenses among Plaintiffs' Counsel shall have no effect on the Settlement or the Releases. Any allocation disputes will be finally resolved by the Mediator pursuant to expedited arbitral procedures determined by the Mediator, solely at the expense of Plaintiffs and Plaintiffs' Counsel.

5. Plaintiffs' Counsel may apply to the Court for payment of Service Awards to each of the Plaintiffs in the amount of $3,000 each, to be paid solely from, and out of, the Fee and Expense Amount. Defendants agree not to oppose any application for payment of the Service Awards.

6. It is not a condition of this Stipulation or the Judgment that the Court approve the Fee and Expense Amount. In the event that the Court does not approve the Fee and Expense Amount, or in the event that the Fee and Expense Amount as approved by the Court is vacated or reduced on appeal, this Stipulation and the Settlement, including the effectiveness of the Released Claims against the Released Parties and other obligations of the Parties under the Settlement, nevertheless shall remain in full force and effect.

E. <u>Release</u>

1. Upon the entry of the Judgment, Athira, Plaintiffs, and every Current Athira Stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, settled, and discharged the Released Claims against the Released Parties. Athira,

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Plaintiffs, and each Current Athira Stockholder shall be forever barred and enjoined from commencing, instituting, prosecuting, continuing to prosecute, participating in, or soliciting or encouraging the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims.

2. Upon the entry of the Judgment, Defendants and every Current Athira Stockholder, and their respective predecessors, successors, subsidiaries, affiliates, agents, attorneys, insurers, and each of their past or present officers, directors and employees, as applicable, in their capacities as such only, shall be deemed to have, and by operation of this Stipulation and the Judgment and to the fullest extent permitted by law, shall have fully, finally and forever, settled, released, and discharged Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Derivative Actions or the Released Claims.

3. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Stipulation.

4. Nothing in this Stipulation or the releases described in ¶¶ V (E) (1-3) is intended to, or should be construed as, limiting or restricting the rights or claims any of the Defendants have against an insurer, if any, under any policy of insurance or otherwise, or any indemnification or advancement rights that any of the Individual Defendants have against Athira.

F. <u>The Judgment</u>

1. If the Court approves the Settlement set forth in this Stipulation (including any modification thereto made with the consent of the Parties as provided for herein) following the Settlement Hearing, the Parties shall jointly and promptly request that the Court enter the Judgment that is in substance materially the same as **Exhibit D** attached hereto, which shall specifically include provisions that:

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a. Approve the Settlement set forth in this Stipulation as fair, reasonable, and adequate to Athira and all Current Athira Stockholders and direct consummation of the Settlement in accordance with the terms and provisions of this Stipulation;

b. Adjudge that, upon entry of the Judgment, Plaintiffs, Athira, and all Current Athira Stockholders shall conclusively be deemed to have released all Released Claims;

c. Adjudge that, upon entry of the Judgment, Defendants, and every Current Athira Stockholder shall conclusively be deemed to have released all claims set forth in Paragraph E.2 above;

d. Fully and finally dismiss the Action with prejudice, and without costs (except as may be provided herein) to any Party as against any other;

e. Bar and permanently enjoin Plaintiffs and all Current Athira Stockholders, upon entry of the Judgment, from commencing, instituting, prosecuting, continuing to prosecute, participating in, or soliciting or encouraging the prosecution of any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Released Claims;

f. Determine, pursuant to 15 U.S.C. § 78u-4(c)(1), that all counsel appearing in this Action have complied with the requirements of Rule 11(b) of the Federal Rules of Civil Procedure; and

g. Reserve jurisdiction over: (i) implementation of this Settlement; (ii) the Derivative Actions, until the Effective Date; and (iii) all Parties, solely for the purpose of enforcing and administering this Stipulation.

G. <u>Conditions Of Settlement; Effect Of Disapproval, Cancellation, Or Termination</u>

1. The Effective Date of the Settlement shall be the date on which all of the following events have occurred:

a. approval of the Settlement at or after the Settlement Hearing following notice to Current Athira Stockholders as ordered by the Court in the Preliminary Approval Order;

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b. entry of the Judgment, in all material respects in the form set forth in Exhibit D hereto, or in the event of material alteration, such alteration is consented to by the Parties; and

c. the Judgment becomes Final.

2. If any of the conditions specified above in ¶ V (G) (1) (a)-(c) is not met, then the Stipulation shall be cancelled and terminated, unless all of the Parties agree in writing to proceed with the Stipulation. If for any reason the Effective Date of this Stipulation does not occur, or if this Stipulation is in any way canceled, terminated, or fails to become Final in accordance with its terms: (i) all Parties and Released Parties shall be restored to their respective positions prior to execution of this Stipulation; (ii) all releases delivered in connection with the Stipulation shall be null and void, except as otherwise provided for in the Stipulation; (iii) any Fee and Expense Amount shall not be paid or, if already paid, shall be refunded in accordance with ¶ V (D) (3); and (iv) all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Parties, shall not be deemed or construed to be an admission by any of the Parties of any act, matter, or proposition, and shall not be used or referred to in any manner for any purpose (other than to enforce the terms remaining in effect) in any subsequent proceeding in the Derivative Actions or in any other action or proceeding. In such event, the terms and provisions of this Stipulation shall have no further force and effect with respect to the Parties and shall not be used in the Derivative Actions or in any other proceeding for any purpose.

H. <u>No Admissions</u>

1. Except as otherwise expressly provided herein, this Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

a. shall not be offered or received against any of the Defendants for any purpose, including without limitation as evidence of, or construed as or deemed to be evidence of, any presumption, concession or admission by any of the Defendants with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that had been or could have been asserted against Defendants in the Derivative Actions or in any proceeding, or the lack of merit of any defense that

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had been or could have been asserted to such claim, or of any liability, negligence, fault or wrongdoing of Defendants;

b. shall not be offered or received against any of the Defendants for any purpose, including without limitation as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant;

c. shall not be offered or received against any of the Defendants for any purpose, including without limitation as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Defendants, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation, including without limitation for Defendants to effectuate the liability protection granted them hereunder; and

d. shall not be construed against any of the Defendants for any purpose, including without limitation as a presumption, concession, or admission that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial.

I. <u>Miscellaneous</u>

1. The Parties (a) acknowledge that it is their intent to consummate the Settlement set forth in this Stipulation; and (b) agree to act in good faith and cooperate to take all reasonable and necessary steps to expeditiously implement the terms and conditions of the Settlement set forth in this Stipulation.

2. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

3. This Stipulation may be amended or modified only by a written instrument signed by all of the Parties to this Stipulation or their successors-in-interest, except to the extent that any modification would be inconsistent with any order by the Court.

4. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver by any other Party to this Stipulation, or by that Party or by any other Party to this Stipulation of any other prior or subsequent breach of this Stipulation.

5. This Stipulation and its exhibits constitute the entire agreement among the Parties hereto with respect to the subject matter hereof, and no representations, warranties or inducements have been made to any Party concerning this Stipulation and its exhibits other than the representations, warranties and covenants contained and memorialized in such documents.

6. This Stipulation will be executed on behalf of the Parties hereto by their respective counsel of record. All counsel executing this Stipulation represent and warrant that they are authorized and empowered to execute this Stipulation on behalf of their stated client(s), and that the signature of such counsel is intended to and does legally bind stated client(s) of such counsel.

7. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Counsel for the Parties hereto shall exchange among themselves signed counterparts. Signatures may be originals, facsimiles or .pdf copies.

8. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties to this Stipulation.

9. All terms of this Stipulation and the exhibits hereto shall be governed by and interpreted according to the laws of the State of Washington, except to the extent that federal law applies.

10. This Stipulation shall be deemed drafted equally by all Parties hereto.

11. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

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IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys.

Dated: March 13, 2024

WEISS LAW

/s/

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Joshua M. Rubin
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Plaintiffs' Co-Lead Counsel

Dated: March 13, 2024

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Plaintiffs' Co-Lead Counsel

Dated: March 13, 2024

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/s/

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Dated: March 13, 2024

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Dated: March 14 2024

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Attorney for Defendants Kelly A. Romano, Joseph Edelman, John M. Fluke, Jr., James A. Johnson, Barbara Kosacz, Dr. Mark Litton, Glenna Mileson, Dr. Kevin Church, and Nominal Defendant Athira Pharma, Inc.

Dated: March__, 2024

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/s/____________________________
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Attorney for Shareholder Demand and Derivative Lawsuits Committee of the Board of Directors of Athira Pharma, Inc.

Dated: March__, 2024

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Attorney for Defendant Dr. Leen Kawas

Dated: March__, 2024

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Dated: March 15, 2024

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Attorney for Shareholder Demand and Derivative Lawsuits Committee of the Board of Directors of Athira Pharma, Inc.

Dated: March__, 2024

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Dated: March__, 2024

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Dated: March__, 2024

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Dated: March 14, 2024

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EXHIBIT 1

CONFIDENTIAL COMMUNICATION FOR MEDIATION AND SETTLEMENT PURPOSES ONLY; SUBJECT TO FRE 408

EXHIBIT 1

CORPORATE GOVERNANCE REFORMS

In satisfaction of the Corporate Governance Reforms portion of Plaintiffs' demand, Plaintiffs are prepared to accept the Board's commitment to adopt and implement within sixty (60) days of issuance of a final order approving the settlement, and then to maintain for a period of not less than five (5) years, corporate governance, oversight, and remedial enhancements designed to address and remedy the decision-making processes and oversight lapses Plaintiffs contend damaged the Company (the "Reforms").

When and if the parties reach agreement on an appropriate package of Reforms, Athira's independent directors must confirm through unanimous resolution their determination that: (i) Plaintiffs' litigation, books and records and litigation demands, and settlement efforts in the Derivative Action are the primary cause of the Board's agreement to adopt, implement, and maintain the Reforms for the agreed term; and (ii) the Reforms confer substantial benefits on the Company and its stockholders, and serve the best interests of the Company and its stockholders.

I. Creation of a Chief Compliance Officer

The Company will appoint a Chief Compliance Officer ("CCO") as soon as is practicable with sufficient staff and funding necessary to fulfill its responsibilities. The CCO shall:

A. Manage and oversee the Company's ethics and compliance program, implement procedures for monitoring and evaluating the program's performance, and communicate with and inform the Compliance Committee (defined below) and Audit Committee regarding progress towards meeting program goals;

B. Oversee employee training in areas of compliance; and

C. Shall be a member of the senior management of the Company, reporting directly to both the Chief Executive Officer ("CEO") of the Company, as well as the Compliance Committee.

II. Board Compliance Committee

The Company shall create and maintain a Compliance Committee of the Board of Directors ("Compliance Committee") with a Charter containing the following terms which shall be posted on the Company's website:

ATHIRA PHARMA, INC.

COMPLIANCE COMMITTEE CHARTER

(Adopted [*DATE*])

The Compliance Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Athira Pharma, Inc. (the "**Company**") shall be appointed by the Board to perform the duties and responsibilities set forth in this charter.

A. PURPOSE

The purpose of the Committee shall be to assist the Board in its oversight of:

1. the Company's compliance with healthcare legal and regulatory requirements;
2. matters relating to the safety and effectiveness of the Company's products and product candidates in clinical and preclinical development;
3. the integrity of scientific research and accuracy and completeness of the Company's scientific publications; and
4. the qualification and performance of contract research and contract manufacturing organizations.

The Committee shall also be responsible for performing other duties and responsibilities as are enumerated in or consistent with this charter.

The function of the Committee is primarily one of oversight. The Company's management is responsible for the Company's scientific research activities, including the development of its products and product candidates in clinical and preclinical development, and compliance with healthcare legal and regulatory requirements. The Committee is responsible for assisting the Board in overseeing the conduct of these activities by management. The Committee is not responsible for providing any scientific or technical expertise in connection with such oversight.

B. COMPOSITION

1. Membership. The Committee shall consist of at least two members of the Board. The members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and serve until the earlier of their resignation or removal by the Board in its discretion.

2. Qualifications. The members of the Committee must satisfy the following qualifications:

   a. each member of the Committee shall meet the independence standards established by the securities exchange on which the Company's securities are listed and the SEC, as determined by the Board after consideration of all factors determined to be relevant under the rules and regulations of the securities exchange on which the Company's securities are listed and the SEC;

b. each member of the Committee shall be familiar with legal and regulatory requirements related to drug development;

c. each member of the Committee must be able to understand and evaluate, with the assistance of such advisors as deemed necessary, the Company's fundamental scientific research publications and preclinical and clinical development results; and

d. such other qualifications as may be established by the Board from time to time.

3. Chairperson. The Board may designate a chairperson of the Committee (the "**Chairperson**"). The Chairperson of the Committee (or, in the Chairperson's absence, a member designated by the Chairperson or the Committee) shall preside at each meeting of the Committee, set the agendas for the Committee meetings and report regularly to the Board regarding the Committee's activities. In the absence of that designation, the Committee may designate a Chairperson by majority vote of the Committee members, provided that the Board may replace any Chairperson designated by the Committee at any time.

C. RESPONSIBILITIES

The following are the principal recurring responsibilities of the Committee. The Committee may perform other functions that are consistent with its purpose and applicable law, rules and regulations, and as the Board or Committee deem appropriate:

1. Oversee Compliance with Healthcare Legal and Regulatory Requirements. The Committee will be directly responsible for oversight of the Company's compliance with healthcare legal and regulatory requirements. The legal and regulatory requirements over which the Committee has compliance oversight include, without limitation, federal and state laws and regulations relating to healthcare operations, such as: those administered by the U.S. Food and Drug Administration, the Office of the Inspector General for the U.S. Department of Health and Human Services. In particular, the Committee shall:

   a. at least annually, review and discuss with management, including the Company's General Counsel and Chief Compliance Officer (the "**Compliance Officer**"), (1) the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs relating to the Company's product candidates in clinical and preclinical development, (2) reports regarding compliance with applicable healthcare laws, regulations and internal compliance programs, including the Company's internal policies and controls as they relate to the Company's Code of Business Conduct and Ethics, except to the extent such policies and controls relate to internal control over financial reporting, and (3) compliance training and education programs for employees and other service providers;

b. meet regularly with the Compliance Officer to discuss the Company's related compliance programs and to receive an update on compliance activities and initiatives;

c. discuss with management any correspondence with relevant regulators or governmental agencies and material reports or complaints that raise material issues regarding the Company's compliance with healthcare legal or regulatory requirements or policies. Discuss with the Compliance Officer any legal matters that may have a material impact on the Company's products and product candidates in clinical and preclinical development or relating to the integrity of scientific research and accuracy and completeness of Company scientific publications;

2. Oversee the Company's Product Candidate Development Programs. The Committee shall exercise general oversight over the Company's conduct of preclinical and clinical trials and over scientific matters involving the safety and effectiveness of the Company's products and product candidates in clinical and preclinical development. In particular, the Committee shall:

a. not less than annually, receive and review a report from the Chief Medical Officer analyzing, interpreting, investigating, and communicating significant data integrity and patient safety risks affecting the Company's products and product candidates; or the plans sufficient to permit such a conclusion on a basis acceptable to the Committee; and

b. take other such measures necessary to assist the Board in exercising reasonable oversight of product safety and medical risk management.

3. Evaluate the Integrity of Scientific Research and Company Scientific Publications. The Committee shall exercise general oversight over the integrity of scientific research and accuracy and completeness of Company scientific publications. In particular, the Committee shall:

a. advise the Board on the scientific integrity underlying the research and/or publications of persons working for or on behalf of the Company; and

b. not less than annually, receive and review a report from the Chief Scientific Officer regarding objective scientific inquiry, analysis and communication affecting product safety and efficacy.

4. Contract Research and Contract Manufacturing Organizations. The Committee shall exercise general oversight over the qualification and performance of contract research and contract manufacturing organizations, including supplier and manufacturing controls and monitoring.

5. Enterprise Risk Management. The Committee shall review and discuss with management controls and processes designed to identify, monitor, and address enterprise risks relating to healthcare legal and regulatory requirements, the safety and effectiveness of the

Company's products and product candidates in clinical and preclinical development and the integrity of scientific research and accuracy and completeness of Company scientific publications. The Committee shall also oversee and monitor management's plans to address such risks. In connection with its review of enterprise risk, management's assessment thereof and any draft risk factors presented by management, the Committee is entitled to rely on management's identification and assessment of the risks described.

6. Compliance Risk Analysis. The Committee shall annually, in conjunction with the Audit Committee of the Board, Compliance Officer and appropriate members of executive management, conduct a compliance risk analysis (the "**Compliance Risk Analysis**") that shall take into account various risks applicable to the Company, including the Company's internal controls, the Company's public statement and SEC reporting, the Company's clinical trials, the Company's collaboration agreements (if any), and the Company's FDA compliance, and submit the results of the Compliance Risk Analysis to the Board.

7. Compliance Officer Reporting. The Committee shall review quarterly reports from the Compliance Officer, or more often, if requested by the Committee, pursuant to an annual agenda developed by the Committee and the Compliance Officer. The agenda will include substantive reports related to the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs relating to the Company's product candidates in clinical and preclinical development, compliance with applicable healthcare laws, regulations and internal compliance programs, including implementation and monitoring and adjustment of such programs, except to the extent such policies and controls relate to internal control over financial reporting, the allocation of resources to the compliance organization and compliance-related initiatives; and, at least annually, a strategic review of emerging trends (external or specific to the Company) affecting the Company's regulatory and scientific compliance, including information regarding ongoing clinical trials, including but not limited to material information concerning known clinical results relating to the safety and/or efficacy of the Company's product candidates and, as appropriate, plans of action to respond to such trends from a preventive compliance standpoint. The CCO will promptly report compliance matters directly to the Chair of the Compliance Committee based on the nature of the matter and if, in the view of the CCO, prompt reporting is warranted.

8. Report to Full Board. The Committee must review with the full Board any material issues that arise regarding the Committee's oversight of the Company's compliance with healthcare legal and regulatory requirements; matters relating to the safety and effectiveness of the Company's products and product candidates in preclinical and clinical development, the integrity of scientific research and accuracy and completeness of Company scientific publications and the qualification and performance of contract research and contract manufacturing organizations.

9. Advisors. The Committee is authorized to engage independent legal counsel, scientific, medical, and risk management advisors and consultants and other advisors as it determines necessary to carry out its duties.

10. Funding. The Company must provide appropriate funding, as determined by the Committee, for the payment of:

    a. compensation to any advisers engaged by the Committee; and

    b. ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

11. Committee Evaluation. The Committee shall conduct and present to the Board an annual self-performance evaluation of the Committee.

12. Charter. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval. The Company shall make a copy of this charter publicly available on its website, and shall disclose how to access this charter in its proxy statement.

D. GENERAL

1. The Committee shall meet at such times as the Committee shall determine, however, the Committee must meet at least quarterly and shall meet periodically with members of management as deemed appropriate. The Committee may meet in person or by telephone or video conference. The Chief Medical Officer and Chief Scientific Officer shall provide support to the Committee and shall attend Committee meetings as directed by the Committee Chairperson in accordance with the Committee agenda and the needs of the Committee.

2. Minutes are kept of each meeting of the Committee, and the Committee must regularly provide reports of its actions to the Board. The Company's General Counsel shall maintain those minutes for at least a period of seven years.

3. The Committee may delegate its authority to subcommittees or the Chairperson of the Committee when it deems it appropriate and in the best interests of the Company and when such delegation would not violate applicable law, regulation or the securities exchange on which the Company's securities are listed or SEC requirements.

4. The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee. The Committee may establish its own meeting schedules, which it shall provide to the Board.

5. The Compliance Committee and each of its members shall be free to communicate directly with any members of management in discharging its responsibilities, and the Compliance Committee Chair may designate any officer or employee of the Company for attendance at any committee meeting.

6. Members of the Committee can receive such fees, if any, for their service as Committee members as may be determined by the Board or a duly authorized Board committee, as applicable. Members of the Committee may not receive any compensation from the

Company except the fees that they receive for service as a member of the Board or any committee thereof.

7. The Committee shall be given full access to the chairperson of the Board, management, the independent auditor and, if applicable, the internal auditor, as well as the Company's books, records, facilities and other personnel.

III. Board Audit Committee

The Company shall supplement and amend its Audit Committee Charter as shown in Exhibit 2 attached hereto.

IV. Management-Level Disclosure Committee

The Company shall supplement and amend its management-level Disclosure Committee Charter as shown in Exhibit 3 attached hereto.

V. Compensation Recovery Policy

In connection with a new Compensation Recovery Policy the Company is otherwise enacting, the Company will include provisions providing for the recovery of executive compensation in the event of a Retraction of Scientific Results, as reflected in Exhibit 4 attached hereto.

VI. Credit For Prior Actions Taken By Athira

To the extent that there have been any changes, modifications, and improvements to Athira's internal control, corporate governance, or business ethics practices, following the initiation of the Derivative Action, Athira shall acknowledge that the filing and pendency of the Derivative Action was a substantial contributing factor thereto, and that such changes, modifications, and improvements confer substantial benefits to Athira and Athira shareholders.

EXHIBIT 2

ATHIRA PHARMA, INC.

AUDIT COMMITTEE CHARTER

(~~as~~As amended on ~~March 23, 2023~~[*date*])

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Athira Pharma, Inc. (the "**Company**") shall be appointed by the Board to perform the duties and responsibilities set forth in this charter.

A. PURPOSE

The purpose of the Committee shall be to assist the Board in its oversight of:

1. the accounting and financial reporting processes and internal controls of the Company;

2. the audit and integrity of the Company's financial statements;

3. the Company's compliance with applicable law (including U.S. federal securities laws and other legal and regulatory requirements, the oversight responsibilities for which is not delegated to the Compliance Committee of the Board);

4. the qualifications, independence and performance of the Company's independent auditors; and

5. the implementation and performance of the Company's internal audit function, if applicable.

The Committee shall also be responsible for preparing the report required by the Securities and Exchange Commission (the "**SEC**") rules to be included in the Company's proxy statement for the annual meeting of stockholders, and for performing other duties and responsibilities as are enumerated in or consistent with this charter.

The function of the Committee is primarily one of oversight. The Company's management is responsible for preparing the Company's financial statements, and the independent auditor is responsible for auditing and reviewing those financial statements. The Committee is responsible for assisting the Board in overseeing the conduct of these activities by management and the independent auditor. The Committee is not responsible for providing any expert or special assurance as to the financial statements or other financial information provided by the Company to its stockholders or others or as to the independent auditor's work.

B. COMPOSITION

1. Membership. The Committee shall consist of at least three members of the Board. The members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and serve until the earlier of their resignation or removal by the Board in its discretion.

2. Qualifications. The members of the Committee must satisfy the following qualifications; provided, however, that the Company may avail itself of any phase-in rules applicable to newly-listed companies:

a. each member of the Committee shall meet the independence standards established by the securities exchange on which the Company's securities are listed and the SEC, as determined by the

Board after consideration of all factors determined to be relevant under the rules and regulations of the securities exchange on which the Company's securities are listed and the SEC;

b. each member of the Committee must be able to read and understand fundamental financial statements and otherwise must comply with all financial literacy requirements of the securities exchange on which the Company's securities are listed;

c. at least one member of the Committee must be an "audit committee financial expert," as defined in Item 407(d)(5)(ii) of Regulation S-K (a person who satisfies the definition of "audit committee financial expert" will also be presumed to have the financial literacy requirements of the securities exchange on which the Company's securities are listed);

d. no Committee member may serve simultaneously on the audit committees of more than two other public companies unless the Board determines that such simultaneous service will not impair the ability of such member to effectively serve on the Committee and the Company discloses such determination in its annual proxy statement;

e. no person may serve as a member of the Committee if the person has participated in the preparation of the financial statements of the Company or any of the Company's current subsidiaries at any time during the past three years; and

f. any other criteria required by applicable law or the rules and regulations of the SEC, the securities exchange on which the Company's securities are listed and such other qualifications as may be established by the Board from time to time.

3. Chairperson. The Board may designate a chairperson of the Committee (the "**Chairperson**"). The Chairperson of the Committee (or, in the Chairperson's absence, a member designated by the Chairperson or the Committee) shall preside at each meeting of the Committee, set the agendas for the Committee meetings and report regularly to the Board regarding the Committee's activities. In the absence of that designation, the Committee may designate a Chairperson by majority vote of the Committee members, provided that the Board may replace any Chairperson designated by the Committee at any time.

C. RESPONSIBILITIES

The following are the principal recurring responsibilities of the Committee. The Committee may perform other functions that are consistent with its purpose and applicable law, rules and regulations, and as the Board or Committee deem appropriate. In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances.

1. Appoint and Oversee Independent Auditor; Approve Audit and Non-Audit Services. The Committee will be directly responsible for appointing, compensating, retaining, evaluating and overseeing an independent registered public accounting firm to act as the Company's independent auditor for the purpose of auditing the Company's financial statements, books, records, accounts and internal control over financial reporting, and, where appropriate, replacing the independent auditor. The Committee shall also appoint, retain, compensate, oversee and, where appropriate, replace any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such independent registered public accounting firm shall report directly to the Committee. In particular, the Committee shall:

a. have the sole authority and responsibility to select, retain, compensate, evaluate, oversee, and, where appropriate, terminate and replace any independent registered public accounting firm engaged to prepare or issue an audit report or perform other audit, review, or attest services for the Company;

b. at least annually, receive an audit engagement letter and either execute it on behalf of the Company or, if the Committee or its chairperson are not appropriate parties to sign the letter, acknowledge the letter and agree to the terms of engagement;

c. review and approve, in advance, (i) the scope and plans for the audits and the audit fees and (ii) approve in advance (or, where permitted under the rules and regulations of the SEC, subsequently) all non-audit and tax services to be performed by the independent auditor that are not otherwise prohibited by law or regulations and any associated fees;

d. in accordance with applicable law, adopt policies and procedures for the Committee's pre-approval, including delegation to one or more members of the Committee, of the engagement of the Company's independent auditors or other registered public accounting firms to perform permitted services on an ongoing basis; and

e. review and resolve any disagreements that may arise between management and each registered public accounting firm.

2. Evaluate the Independence and Qualifications of the Independent Auditor. The Committee must ensure the independence of the independent auditor. The Committee shall, at least annually, obtain and review a written report by the Company's independent auditor describing:

a. the independent auditor's internal quality control procedures;

b. any issues raised by the most recent internal quality control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues; and

c. all relationships between the independent auditor and the Company, in order to assess the independent auditor's independence.

The Committee shall review and discuss with the independent auditor the written report, any other matters required by the applicable requirements of the Public Company Accounting Oversight Board or other regulatory body and any relationships or services that may impact the objectivity and independence of the auditors.

After reviewing the foregoing report, other written disclosures or relevant relationships or services, and the independent auditor's work throughout the year, the Committee shall evaluate the independent auditor's qualifications, performance and independence.

In making its evaluation, the Committee shall take into account the opinions of management and, when the Company has an internal audit function, the opinions of the Company's internal auditors (or other personnel responsible for the internal audit function). This evaluation shall also include the review and evaluation of the lead partner of the independent auditor. The Committee will assure the regular rotation of the lead audit partner at least once every five years as required by law, and shall consider whether regular rotation of the audit firm itself is necessary to assure continuing auditor independence.

The Committee shall present its conclusions with respect to the independence and qualifications of the independent auditor to the full Board.

3. Review of Internal Controls and Integrity of Financial Statements. The Committee shall meet with management, the internal audit department, if applicable, and the Company's independent auditor to review and discuss the Company's internal controls and the integrity of the Company's audited financial statements. Included in this process shall be review of:

a. the scope and timing of the annual audit of the Company's financial statements;

b. the Company's annual audited and quarterly unaudited financial statements and annual and quarterly reports on Form 10-K and Form 10-Q, including the disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations"; the Committee shall make a recommendation to the Board as to whether the audited financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be included in the Company's Form 10-K for filing with the SEC;

c. the results of the independent audit and the quarterly reviews, and the independent auditor's opinion on the audited financial statements;

d. the quality and adequacy of the Company's internal controls, and discussion with management and the independent auditor with regard to any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls;

e. the Company's disclosure controls and procedures, as well as the quarterly assessments of such controls and procedures by the Chief Executive Officer and Chief Financial Officer;

f. any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;

g. any analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;

h. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and

i. any audit problems or difficulties the independent auditor encountered in the course of its audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.

Among the items the Committee shall review with the independent auditor are: accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; and any "management" or "internal control" letters issued, or proposed to be issued, by the independent auditor. Such review shall also include discussion of the responsibilities, budget and staffing of the Company's internal audit function when the Company has an internal audit function.

4. Review of Financial Information Presentation, Earnings Press Releases and Guidance. The Committee shall periodically discuss with management the Company's procedures with respect to the presentation of the Company's financial information (paying attention to any use of "pro forma" or "adjusted" non-GAAP information) and review earnings press releases, earnings guidance provided to analysts and rating agencies and financial information provided to the public, analysts and ratings agencies.

5. Internal Audit Function. The Committee shall, as applicable, oversee the design, implementation and performance of the Company's internal audit function, including by:

a. reviewing and approving the charter of the internal audit function and any amendments;

b. reviewing the responsibilities, functions, qualifications, budget, performance, objectivity, and the scope and results of internal audits;

c. approving the hiring, promotion, demotion or termination of the person in charge of the Company's internal audit function; and

d. reviewing the results of the internal audit program, including significant issues in internal audit reports and responses by management.

6. Hiring Policies. The Committee shall set hiring policies with regard to the hiring of employees or former employees of the Company's independent auditor and oversee compliance with such policies.

7. Investment Policy. The Committee shall review and monitor compliance with the Company's Investment Policy and approve any amendments thereto and deviations therefrom.

8. Conflicts of Interest. The Committee shall review and monitor compliance with the Company's Code of Business Conduct and Ethics and consider questions of actual or possible conflicts of interest of Board members and of corporate officers and approve or prohibit applicable transactions or matters.

9. Related Party Transactions. The Committee shall review, approve and monitor related party transactions involving directors or executive officers as further detailed in the Company's Related Person Transactions Policy, including the development and maintenance of policies and procedures for the Committee's review, approval and/or ratification of such transactions.

10. Complaint Procedures. The Committee shall adopt and oversee procedures to address complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The procedures shall allow for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

11. Compliance with Laws. On at least an annual basis, the Committee shall review and discuss with management and the independent auditor (a) the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, including the Company's Code of Business Conduct and Ethics, compliance with anti-bribery and anti-corruption laws and regulations, and compliance with export control regulations and (b) except to the extent that they are the oversight responsibility of the Compliance Committee of the Board, reports regarding compliance with applicable laws, regulations and internal compliance programs. The Committee must discuss with management and the independent auditor

any correspondence with regulators or governmental agencies and any reports or complaints that raise material issues regarding the Company's financial statements or policies. The Committee must discuss with the Company's General Counsel and Chief Compliance Officer (the "**Compliance Officer**") any legal matters that may have a material impact on the financial statements or, except to the extent that they are the oversight responsibility of the Compliance Committee of the Board, the Company's compliance procedures.

12. Enterprise Risk Management. The Committee shall review and discuss with management, including the Company's internal audit function, if applicable, the Company's Compliance Committee and the Company's independent auditor guidelines and policies to identify, monitor, and address enterprise risks. This shall include discussion of the Company's major financial risk exposures and risks relating to securities laws, anti-corruption compliance and conflicts of interest, and the steps management has taken to monitor and control such exposures. The Committee shall also oversee and monitor management's plans to address such risks. In connection with its review of enterprise risk, management's assessment thereof and any draft risk factors presented by management, the Committee is entitled to rely on management's identification and assessment of the operational, financial, strategic, regulatory and other risks described. The Committee shall receive at least annually a report from the Compliance Officer concerning the design, implementation, and continuing operation of the Company's Enterprise Risk Management program, as well as reports concerning risk management aspects of strategic initiatives of the Company and developments affecting the Company's business, operations, and affairs, except to the extent that such matters are the oversight responsibility of the Compliance Committee of the Board.

13. Compliance Risk Analysis. The Committee shall annually, in conjunction with the Compliance Committee of the Board, Compliance Officer and appropriate members of executive management, conduct a compliance risk analysis (the "**Compliance Risk Analysis**") that shall take into account various risks applicable to the Company, including the Company's internal controls, the Company's public statement and SEC reporting, the Company's drug development and research, the Company's clinical trials, the Company's collaboration agreements (if any), and the Company's FDA compliance, and submit the results of the Compliance Risk Analysis to the Board.

14. Compliance Officer Reporting. The Committee shall review quarterly reports from the Compliance Officer, or more often, if requested by the Committee, pursuant to an annual agenda developed by the Committee and the Compliance Officer. Except to the extent that they are the oversight responsibility of the Compliance Committee of the Board, the agenda will include substantive reports related to compliance matters; matters of implementation of existing compliance programs; monitoring and adjustment of such programs; the Company's processes for receiving and investigating compliance or ethics-related complaints; exceptions reporting; the allocation of resources to the compliance organization and compliance-related initiatives; and, at least annually, a strategic review of emerging trends (external or specific to the Company) affecting the Company's regulatory compliance and, as appropriate, plans of action to respond to such trends from a preventive compliance standpoint.

~~13.~~15. Report to Full Board. The Committee must review with the full Board any issues that arise regarding: (a) the quality or integrity of the Company's financial statements; (b) the Company's compliance with applicable legal or regulatory requirements (including U.S. federal securities laws); (c) the performance and independence of the Company's independent auditor; and (d) the performance of the internal audit function, if applicable.

~~14.~~16. Advisors. The Committee is authorized to engage independent legal, accounting and other advisors as it determines necessary or appropriate to carry out its duties.

~~15.~~17. Funding. The Company must provide appropriate funding, as determined by the Committee, for the payment of:

a. compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;

b. compensation to any advisers engaged by the Committee; and

c. ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

~~16.~~18. Committee Evaluation. The Committee shall conduct and present to the Board an annual self-performance evaluation of the Committee.

~~17.~~19. Charter. The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval. The Company shall make a copy of this charter publicly available on its website, and shall disclose how to access this charter in its proxy statement.

D. GENERAL

1. The Committee shall meet at such times as the Committee shall determine, however, the Committee must meet at least quarterly and shall meet periodically with members of management as deemed appropriate, the head of the internal audit department, if applicable, and the independent auditor in separate executive sessions, when deemed necessary by the Committee, or at any time that the independent auditors or, if applicable, the internal auditors believe communication to the Committee is required. The Committee may meet in person or by telephone or video conference.

2. Minutes are kept of each meeting of the Committee, and the Committee must regularly provide reports of its actions to the Board.

3. The Committee may delegate its authority to subcommittees or the Chairperson of the Committee when it deems it appropriate and in the best interests of the Company and when such delegation would not violate applicable law, regulation or the securities exchange on which the Company's securities are listed or SEC requirements, including, without limitation, its authority to approve in advance (or, where permitted under the rules and regulations of the SEC, subsequently) all non-audit and tax services to be performed by the independent auditor that are not otherwise prohibited by law or regulations and any associated fees.

4. The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee. The Committee may establish its own meeting schedules, which it shall provide to the Board.

5. The Committee may invite to its meetings other Board members, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities.

6. Members of the Committee can receive such fees, if any, for their service as Committee members as may be determined by the Board or a duly authorized Board committee, as applicable. Members of the Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.
7. The Committee shall be given full access to the chairperson of the Board, management, the independent auditor and, if applicable, the internal auditor, as well as the Company's books, records,

facilities and other personnel.

EXHIBIT 3

ATHIRA PHARMA, INC.

DISCLOSURE COMMITTEE CHARTER

(~~Effective as of September 17, 2020~~As amended on [*DATE*])

This Disclosure Committee (the "**Committee**") of Athira Pharma, Inc. (the "**Company**") shall be appointed by the Chief Executive Officer and Chief Financial Officer of the Company (the "**Senior Officers**") to perform the duties and responsibilities set forth in this charter.

A. PURPOSE

The purpose of the Committee shall be to (i) assist in the Company's efforts to maintain effective disclosure controls and procedures, ~~and~~ to ensure that the information required to be disclosed by the Company in the reports it files or submits to the Securities and Exchange Commission ("**SEC**") and other information that the Company publicly discloses is, in all material respects, recorded, processed, summarized and reported accurately to senior management of the Company, including the Senior Officers, as appropriate to allow timely decisions regarding and the accuracy of such disclosure, and (ii) to review with management its ongoing compliance with these protocols and procedures as necessary to conform to best practices.

B. COMPOSITION

The Company's Chief Financial Officer shall be the chairperson of the Committee and shall be responsible for setting the agenda of the Committee at its meetings (or at any meeting of a subgroup of the Committee), coordinating the activities of the Committee, and implementing the information gathering processes in accordance with the requirements of this Charter within the various business units or departments of the Company.

In addition to the Company's Chief Financial Officer, the Committee shall ~~comprise~~ include the Company's Chief Operating Officer, General Counsel and Chief Compliance Officer, Chief Medical Officer, Chief Scientific Officer and such personnel of the Company as determined by the Senior Officers in their discretion, which personnel may be drawn from various areas of the Company, including the following functions: financial planning & analysis, operations, risk management, internal audit (if any), investor relations, human resources, information security, research ~~&~~and development, regulatory compliance, clinical operations and such other individuals as the Senior Officers deem suitable based on their substantive area(s) of responsibility and potential contribution to the Disclosure Committee. Representatives of the Company's outside legal counsel, independent auditors and other personnel of the Company or representatives of its outside advisors may be invited to attend meetings of the Committee, as the Committee deems necessary or appropriate in performing its functions.

Changes to the membership of the Committee shall be determined by the chairperson and approved by the Senior Officers as necessary in light of changes in the Company's business, operations, organization or management.

C. RESPONSIBILITIES

The Committee reports to the Senior Officers with ~~, who maintain ultimate~~ decision-making authority regarding the Company's disclosure controls and procedures as well as the Company's external disclosures. The following are the principal recurring responsibilities of the Committee.

1. Design, adopt and implement appropriate procedures and policies, and monitor such procedures and policies, to ensure ~~accurate~~the material accuracy and timely collection of information for inclusion in the Company's periodic and current SEC reports ~~and~~, the Company's quarterly earnings press releases, and other public disclosures (the "**Disclosure Controls Policies and Procedures**").

2. Evaluate the effectiveness of the Disclosure Controls Policies and Procedures on at least an annual basis and amend the same as necessary to conform to best practices.

~~2.~~3. Establish and review timelines relating to the preparation and filing of the Company's quarterly earnings press releases and periodic SEC reports.

~~3.~~4. Establish as appropriate policies and procedures to ensure relevant Company personnel timely report to the Committee information potentially requiring disclosure.

~~4.~~5. Establish responsibility and lines of communication throughout the Company's operations and business units for collecting relevant information on a timely basis, including making periodic inquiries with relevant Company personnel possessing information potentially requiring disclosure.

~~5.~~6. Review drafts of quarterly earnings press releases and related materials (such as scripts for conference calls with financial analysts and investors) and periodic ~~and current~~ SEC reports in preparation for filing, including final drafts. In connection with this review, the Disclosure Committee shall timely discuss any material disclosure deficiencies noted concerning the Company's drug research, lead drug candidates, development, manufacturing, and operations in order to determine whether additional disclosure is warranted.

~~6.~~7. Meet periodically during the preparation of quarterly earnings press releases and periodic SEC reports to discuss disclosure matters and filings made by the Company to ensure the material completeness and accuracy of content.

~~7.~~8. Coordinate, as necessary, the review of quarterly earnings press releases and related materials and periodic and current SEC reports with the Senior Officers, the Company's independent accountants, internal auditors (if any), outside counsel and the Audit Committee of the Board of Directors.

~~8.~~9. Periodically report to the Chief Financial Officer ~~and~~, the Chairperson of the Audit Committee of the Board of Directors, and the Chairperson of the Compliance Committee of the Board of Directors in connection with the preparation and filing of quarterly earnings press releases on Form 8-K, quarterly SEC reports on Form 10-Q, and annual SEC reports on Form 10-K on disclosure issues and the Committee's findings regarding the effectiveness of its procedures and policies, including any material weaknesses identified therein or in the Company's Disclosure Controls Policies and Procedures generally.

10. Consult with the Company's Chief Medical Officer and Chief Scientific Officer, as necessary, with respect to disclosures related to their areas of responsibility, including, but not limited to: (i) the Company's research and development activities; (ii) clinical trials, clinical trial results, and/or studies; and (iii) compliance with relevant laws, rules and regulations relating thereto.

11. Review investor presentations and transcripts of publicly available conference calls with financial analysts for the material accuracy of any disclosures made, advise the Audit Committee of any corrections that legally need to be made, and draft any required corrective disclosures.

12. Evaluate the materiality of corporate information and events relating to or affecting the Company and determine the timing and appropriate method of disclosure of corporate information deemed material.

13. Undertake any other duties or responsibilities as the Senior Officers may from time to time prescribe.

14. Institute pre-clearing mechanisms for any material corporate information disseminated on social media and other non-SEC platforms delivering corporate information to investors.

D. GENERAL

1. It is anticipated that the Committee will hold regular meetings as directed by the Senior Officers or as the Committee otherwise deems appropriate, but in no event shall the Committee meet less than four times per calendar year.

2. This Charter shall be reviewed periodically by the members of the Committee. Any changes to the Charter must be approved by the Senior Officers.

EXHIBIT 4

ATHIRA PHARMA, INC.

COMPENSATION RECOVERY ("CLAWBACK") POLICY

Effective [*DATE*]

Athira Pharma, Inc. (the "**Company**") is committed to strong corporate governance. As part of this commitment, the Company's Board of Directors (the "**Board**") has adopted this Compensation Recovery ("**Clawback**") Policy. This Policy is intended to further the Company's pay-for-performance philosophy and to comply with applicable law by providing for the recovery of certain executive compensation in the event of an Accounting Restatement or Retraction of Scientific Results. The capitalized terms in this Policy are defined below.

This Policy is intended to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), with Rule 10D-1 under the Exchange Act and with the listing standards of the national securities exchange (the "**Exchange**") on which the securities of the Company are listed. This Policy will be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act, Rule 10D-1 under the Exchange Act and with the listing standards of the Exchange, including any interpretive guidance provided by the Exchange.

The application of the Policy to Executive Officers is not discretionary and applies without regard to whether an Executive Officer was at fault, except to the limited extent provided below. The Compensation Recovery Policy, as set forth therein, does not apply to compensation received by an executive officer before the policy's effective date, which shall in no event be earlier than May 19, 2023.

Persons Covered by the Policy

This Policy is binding and enforceable against all Executive Officers. Each Executive Officer shall be required to sign and return to the Company an acknowledgement pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy, provided that failure to obtain such acknowledgement shall have no impact on the applicability or enforceability of this Policy.

Administration of the Policy

The Compensation Committee (the "**Compensation Committee**") of the Board has full delegated authority to administer this Policy. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. In addition, if determined in the discretion of the Board, this Policy may be administered by the independent members of the Board or another independent committee thereof, in which case all references herein to the Compensation Committee shall be deemed references to the independent members of the Board or the other independent committee of the Board, as applicable. All determinations of the Compensation Committee and any other administrator of the Policy will be final and binding on all interested persons and will be given the maximum deference permitted by law.

Compensation Covered by the Policy

This Policy applies to all Incentive-Based Compensation that is Received after [insert effective date of Exchange listing standards][1] by a person (A) after such individual begins service as an Executive Officer, (B) who served as an Executive Officer at any time during the applicable performance period for that Incentive-Based Compensation and (C) during the Covered Period ("**Clawback Eligible Incentive-Based Compensation**").

Events Requiring Application of the Policy

If the Company is required (A) to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an "**Accounting Restatement**") or (B) to retract a scientific publication or correct a material scientific finding in a scientific publication (as determined by the independent members of the Board or Compliance Committee of the Board), where such retraction or correction is due to fraudulent or intentional misconduct, gross negligence, or a material violation of a Company policy or the policy of a scientific publication related to scientific integrity (a "**Retraction of Scientific Results**"); AND

any Executive Officer has Received Clawback Eligible Incentive-Based Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had such Incentive-Based Compensation been determined based on the restated amounts or without the Retraction of Scientific Results, computed without regard to any taxes paid (such compensation, the "**Erroneously Awarded Compensation**");

then, the Company will recover reasonably promptly the amount of such Erroneously Awarded Compensation in compliance with this Policy unless an exception applies under this Policy.

Determining Erroneously Awarded Compensation for Certain Incentive-Based Compensation

To determine the amount of Erroneously Awarded Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement or Retraction of Scientific Results:

- The amount must be based on a reasonable estimate of the effect of the Accounting Restatement or Retraction of Scientific Results on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received; and

- The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

Repayment of Erroneously Awarded Compensation

[1] **Note to Draft**: This date is not yet fixed (it can be no later than January 28, 2024 but may be earlier if listing standards are in effect no later than November 28, 2023).

Executive Officers are required to repay Erroneously Awarded Compensation to the Company. Subject to applicable law, the Company may recover such Erroneously Awarded Compensation by requiring the Executive Officer to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Compensation Committee determines to be appropriate and in accordance with applicable law (which determinations need not be identical as to each Executive Officer), which may include, without limitation: (a) requiring reimbursement of cash Incentive-Based Compensation previously paid; (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; (c) offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company to the Executive Officer; (d) cancelling outstanding vested or unvested equity awards; and/or (e) taking any other remedial and recovery action permitted by law, as determined by the Compensation Committee. The repayment of Erroneously Awarded Compensation shall be made by such Executive Officer notwithstanding any Executive Officer's belief that the Erroneously Awarded Compensation had been previously earned under applicable law and therefore not subject to clawback. Executive Officers, by signing below, hereby agree to cooperate with the Company in any required repayment under this Policy, and acknowledge and consent to the recovery of the Erroneously Awarded Compensation.

This Policy does not preclude the Company from taking any other action to enforce an Executive Officer's obligations to the Company or to discipline an Executive Officer, including (without limitation) termination of employment, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role.

Exceptions to the Policy

The Company must recover the Erroneously Awarded Compensation in accordance with this Policy except to the limited extent that the conditions set forth below are met, and the Compensation Committee has made a determination that recovery of the Erroneously Awarded Compensation would be impracticable:

A. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before reaching this conclusion, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or

B. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before reaching this conclusion, the Company must obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and must provide such opinion to the Exchange; or

C. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the legal requirements as such.

Defined Terms in this Policy

The capitalized terms in this Policy have the following meaning, unless clearly required otherwise by the context.

"**Accounting Restatement Determination Date**" means the earliest to occur of:

A. The date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and

B. The date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

"**Covered Period**" means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date or Retraction of Scientific Results Determination Date, as applicable. As well as any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years in accordance with Exchange Act Rule 10D-1. The Company's obligation to recover Erroneously Awarded Compensation (as defined below) is not dependent on if or when the restated financial statements are filed.

"**Executive Officer**" means each individual who is or was designated as an "officer" by the Board in accordance with Exchange Act Rule 16a-1(f). Identification of an executive officer for purposes of this Policy would include at a minimum executive officers identified pursuant to Item 401(b) of Regulation S-K. For the avoidance of doubt, even if an individual who was formerly designated as an officer of the Company is no longer designated as such, that individual will continue to be an Executive Officer under this Policy.

"**Financial Reporting Measure**" means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

"**Incentive-Based Compensation**" means any compensation that is granted, provided, or vested based wholly or in part upon the attainment of a Financial Reporting Measure or a published scientific performance goal material (as determined by the Board or Compliance Committee of the Board) to the Company (a "**Published Scientific Performance Goal**"). For the avoidance of doubt, and notwithstanding any language or provision to the contrary in any agreement, arrangement, plan, or policy of the Company (which will be deemed superseded hereby), no compensation that is potentially subject to recovery under this Policy will be earned and accrued until the Company's right to recover under the Policy has lapsed.

The following items of compensation are not Incentive-Based Compensation under the Policy: salaries, bonuses paid solely at the discretion of the Compensation Committee or the Board that are not paid from a bonus pool that is determined by satisfying a Financial Reporting Measure or a Published Scientific Performance Goal, bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period, non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures, and equity awards for which the grant is not contingent upon achieving any Financial Reporting Measure or a Published Scientific Performance Goal and vesting is contingent solely upon completion of a specified employment period (e.g., time-based vesting equity awards) and/or attaining one or more non-Financial Reporting Measures or Published Scientific Performance Goals.

"**Policy**" means this Compensation Recovery ("**Clawback**") Policy, as it may be amended from time to time.

Incentive-Based Compensation is deemed "**Received**" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained or scientific finding was published, as the case may be, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

"**Retraction of Scientific Results Determination Date**" means the date the Board, or the Compliance Committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes that a material Retraction of Scientific Results occurred.

Other Important Information in the Policy

This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer, as well as any other applicable laws, regulatory requirements, rules, or pursuant to the terms of any similar policy or agreement.

Notwithstanding the terms of any of the Company's organizational documents (including, but not limited to, the Company's Bylaws), any corporate policy or any contract (including, but not limited to, any indemnification agreement), the Company will not indemnify any Executive Officer or former Executive Officer against any loss of Erroneously Awarded Compensation. The Company will not pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event the Company is required to recover Erroneously Awarded Compensation from a former Executive Officer pursuant to this Policy, the Company will be entitled to seek such recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement the former Executive Officer may have signed.

The Compensation Committee or Board may review and modify this Policy from time to time.

If any provision of this Policy or the application of any such provision to any Executive Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

ACKNOWLEDGEMENT

- I acknowledge that I have received and read the Compensation Recovery ("Clawback") Policy (the "**Policy**") of Athira Pharma, Inc. (the "**Company**").

- I understand acknowledge that the Policy applies to me, and all of my beneficiaries, heirs, executors, administrators or other legal representatives.

- I agree to be bound by and to comply with the Policy.

- I understand that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company as well as any other appropriate discipline.

- I understand that neither this Policy, nor the application of this Policy to me, gives rise to a resignation for good reason, constructive termination or similar concept by me under any applicable employment agreement or arrangement.

- I acknowledge that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the General Counsel and Chief Compliance Officer (the "**Compliance Officer**"), Human Resources or my own personal advisers.

- I acknowledge that neither this Acknowledgement nor the Policy is meant to constitute an employment contract, nor, if applicable, does it otherwise alter the at-will nature of my employment with the Company.

Please review, sign and return this form to the Compliance Officer.

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(*print name*)

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(*signature*)

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(*date*)