
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 4, 2014

ARDELYX, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36485
(Commission
File Number)

26-1303944
(IRS Employer
Identification Number)

34175 Ardenwood Blvd.
Fremont, CA 94555
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (510) 745-1700

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On September 5, 2014, Ardelyx, Inc. (the “Company”) and Ardenwood Venture, LLC (the “Landlord”) entered into a Second Amendment to Lease (the “Lease Amendment”), which amended certain terms of the Lease, dated August 8, 2008, as previously amended (the “Original Lease”), between the Company and the Landlord with respect to the Company’s office space and laboratory facilities located at 34175 Ardenwood Boulevard in Fremont, California. Among other things, the Lease Amendment extends the term of the Original Lease for an additional period of 36 months, which will expire on September 10, 2019. The Amendment provides that the per square foot rental rate owed by the Company will remain as stated in the Original Lease, and will adjust yearly thereafter during the extension period.

The foregoing description of the Lease Amendment is qualified in its entirety by reference to the full text of the Lease Amendment, which is filed herewith as Exhibit 10.1.

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

On September 5, 2014, the Company announced that Dominique Charmot, Ph.D., currently the Company’s Chief Scientific Officer and a director of the Company, has notified the Company that he will retire from the Company, effective December 23, 2014. The full text of the press release issued in connection with this announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In connection with Dr. Charmot’s retirement, on September 4, 2014, the Company and Dr. Charmot entered into a Transition and Separation Agreement (the “Agreement”) that provides for, among other things, a lump sum severance payment of approximately \$397,000, up to 24 months of continued health care coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the waiver by the Company of its repurchase right with respect to all shares of the Company’s restricted common stock currently held by Dr. Charmot. The foregoing benefits are payable by the Company only after the expiration of a customary revocation period as provided by the Agreement. Pursuant to the terms of the Agreement, Dr. Charmot has provided the Company with a general release of claims against the Company.

The foregoing description of the Agreement between the Company and Dr. Charmot is qualified in its entirety by reference to the full text of the agreement, which is filed herewith as Exhibit 10.2.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Second Amendment to Lease, dated September 5, 2014, by and between Ardelyx, Inc., and Ardenwood Venture, LLC.
10.2	Transition and Separation Agreement, dated September 4, 2014, by and between Ardelyx, Inc., and Dominique Charmot, Ph.D.
99.1	Press Release dated September 5, 2014.

SIGNATURES

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

Date: September 9, 2014

ARDELYX, INC.

By: /s/ Mark Kaufmann
Mark Kaufmann
Chief Financial Officer

EXHIBIT INDEX

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10.2	Transition and Separation Agreement, dated September 4, 2014, by and between Ardelyx, Inc., and Dominique Charmot, Ph.D.
99.1	Press release dated September 5, 2014.

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Amendment") is entered into as of this 5th day of September, 2014 (the "Execution Date"), by and between 34175 ARDENWOOD VENTURE, LLC, a Delaware limited liability company ("Landlord"), and ARDELYX, INC., a Delaware corporation ("Tenant," formerly known as Nteryx, Inc.).

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of August 8, 2008, as amended by that certain First Amendment to Lease dated as of December 20, 2012 (collectively, and as the same may have been heretofore further amended, amended and restated, supplemented or modified from time to time, the "Existing Lease"), whereby Tenant leases certain premises (the "Existing Premises") from Landlord at 34175 Ardenwood Boulevard in Fremont, California (the "Building");

B. WHEREAS, Landlord and Tenant desire to expand the Existing Premises and to extend the Term of the Lease; and

C. WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease."

2. Extension Term. The Term of the Lease is hereby extended for thirty-six (36) months and, therefore, the Term Expiration Date is hereby amended to mean September 10, 2019. The period commencing on the Execution Date and ending on the Term Expiration Date shall be referred to herein as the "Second Amendment Extension Term." Tenant acknowledges that (a) it is in possession of and is fully familiar with the condition of the Existing Premises and, notwithstanding anything contained in the Lease to the contrary, agrees to take the same in its condition "as is" as of the first day of the Second Amendment Extension Term, and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the Existing Premises for Tenant's continued occupancy for the Second Amendment Extension Term or to pay for any improvements to the Existing Premises.

3. Additional Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, that certain space consisting of approximately twelve thousand one hundred sixty-one (12,161) square feet of Rentable Area located on the second (2nd) floor of the Building (as more particularly described on Exhibit A attached hereto, the "Additional Premises").

3.1 **Additional Premises Term.** The Term with respect to the Additional Premises shall commence on the Execution Date and shall thereafter be coterminous with the Term for the Existing Premises, such that the Term with respect to the Additional Premises and the Existing Premises shall expire on the Term Expiration Date (as defined in Section 2 above). From and after the Execution Date, all references to the term “Premises” in the Lease shall be deemed to include both the Existing Premises and the Additional Premises.

3.2 **Condition of Additional Premises.** Tenant acknowledges that (a) it is fully familiar with the condition of the Additional Premises and, notwithstanding anything contained in the Lease to the contrary, agrees to take the same in its condition “as is” as of the Execution Date, (b) neither Landlord nor any agent of Landlord has made (and neither Landlord nor any agent of Landlord hereby makes) any representation or warranty of any kind whatsoever, express or implied, regarding the Additional Premises, including (without limitation) any representation or warranty with respect to the condition of the Additional Premises or with respect to the suitability of the Additional Premises for the conduct of Tenant’s business and (c) Landlord shall have no obligation to alter, repair or otherwise prepare the Additional Premises for Tenant’s occupancy of the Additional Premises or to pay for any improvements to the Additional Premises, other than the TI Allowance. The Additional Premises have not undergone inspection by a Certified Access Specialist (as defined in California Civil Code Section 55.52). Tenant’s taking possession of the Additional Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the Additional Premises were at such time in good, sanitary and satisfactory condition and repair.

4. **Base Rent.** Notwithstanding anything to the contrary in the Lease, Base Rent for the Premises during the Second Amendment Extension Term shall equal:

Dates	Square Feet of Rentable Area	Base Rent per Square Foot of Rentable Area	Monthly Base Rent	Annual Base Rent
Execution Date – 9/10/14	39,781	\$ 1.70 monthly	\$67,627.70*	\$811,532.40*
9/11/14 – 9/10/15	39,781	\$ 1.75 monthly	\$69,616.75	\$835,401.00
9/11/15 – 9/10/16	39,781	\$ 1.80 monthly	\$71,605.80	\$859,269.60
9/11/16 – 9/10/17	39,781	\$ 1.86 monthly	\$73,992.66	\$887,911.92
9/11/17 – 9/10/18	39,781	\$ 1.91 monthly	\$75,981.71	\$911,780.52
9/11/18 – 9/10/19	39,781	\$ 1.97 monthly	\$78,368.57	\$940,422.84

* Subject to the Additional Premises Rent Abatement (as defined below).

5. Additional Premises Rent Abatement. Provided that Tenant is not then in default of the Lease (beyond any applicable cure period), then during the period commencing on the Execution Date and ending on September 10, 2014 (such period, the "Additional Premises Rent Abatement Period"), Tenant shall not be obligated to pay any Base Rent, Tenant's Op Ex Share of Operating Expenses or Property Management Fee otherwise attributable to the Additional Premises only (the "Additional Premises Rent Abatement") (i.e., during the Additional Premises Rent Abatement Period, Tenant shall be obligated to pay all Rent for the Existing Premises in full). Tenant acknowledges and agrees that the Additional Premises Rent Abatement has been granted to Tenant as additional consideration for entering into this Amendment, and for agreeing to pay Rent and performing the terms and conditions otherwise required under the Lease. If Tenant shall be in default under the Lease (beyond any applicable cure period), then the dollar amount of the unapplied portion of the Additional Premises Rent Abatement shall be automatically converted to a credit to be applied to the Base Rent, Tenant's Op Ex Share of Operating Expenses and the Property Management Fee for the Additional Premises applicable at the end of the Term and Tenant shall immediately be obligated to begin paying Base Rent, Tenant's Op Ex Share of Operating Expenses and the Property Management Fee for the Additional Premises in full.

6. Tenant's Pro Rata Share. From and after the Execution Date (but subject to the Additional Premises Rent Abatement), Tenant's Pro Rata Share of Building (and Tenant's Op Ex Share) shall equal 54.87%.

7. Additional Rent. Subject to the Additional Premises Rent Abatement, Tenant shall, at all times during the Second Amendment Extension Term, continue to pay (a) Tenant's Op Ex Share of Operating Expenses, (b) the Property Management Fee and (c) any other amounts set forth in the Lease.

8. Security Deposit. On or before the Execution Date, Tenant shall deposit with Landlord an amount equal to Twenty-Three Thousand Nine Hundred Fifty-Seven and 17/100 Dollars (\$23,957.17) as an increase to the required Security Deposit under the Lease ("Increased Security Deposit Amount"). From and after the Execution Date, the required Security Deposit under the Lease shall be increased by the Increased Security Deposit Amount.

9. Tenant Improvements. Tenant shall cause the work (the "Tenant Improvements") described in the work letter attached hereto as Exhibit B (the "Work Letter") to be constructed in the Premises at a cost to Landlord not to exceed Six Hundred Thousand Dollars (\$600,000) (the "TI Allowance"), in accordance with the terms, conditions and provisions of the Work Letter. The TI Allowance may be applied to the costs of (a) construction, (b) project review by Landlord (which fee shall equal one and one-half percent (1.5%) of the cost of the Tenant Improvements, including the TI Allowance), (c) commissioning of mechanical, electrical and plumbing systems by a licensed, qualified commissioning agent hired by Tenant, and review of such party's commissioning report by a licensed, qualified commissioning agent hired by Landlord, (d) space planning, architect, engineering and other related services performed by third parties unaffiliated with Tenant, (e) building permits and other taxes, fees, charges and levies by governmental authorities for permits or for inspections of the Tenant Improvements, and (f) costs and expenses

for labor, material, equipment and fixtures. In no event shall the TI Allowance be used for (v) the cost of work that is not authorized by the Approved Plans (as defined in the Work Letter) or otherwise approved in writing by Landlord, (w) payments to Tenant or any affiliates of Tenant, (x) the purchase of any furniture, personal property or other non-building system equipment, (y) costs resulting from any default by Tenant of its obligations under the Lease or (z) costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors).

9.1 Tenant shall have until June 30, 2015 (the "TI Deadline"), to expend the unused portion of the TI Allowance, after which date Landlord's obligation to fund such costs shall expire. In no event shall any unused TI Allowance entitle Tenant to a credit against Rent payable under the Lease.

9.2 Tenant shall deliver to Landlord (a) a certificate of occupancy for the Premises suitable for the Permitted Use and (b) a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor.

9.3 Prior to entering upon the Additional Premises, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the provisions of the Lease are in effect, and such entry shall be subject to all the terms and conditions of the Lease.

9.4 Landlord and Tenant shall mutually agree upon the selection of the architect, engineer, general contractor and major subcontractors, and Landlord and Tenant shall each participate in the review of the competitive bid process. Landlord may refuse to use any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony.

9.5 Tenant shall pay all utility charges with respect to the Additional Premises, together with any fees, surcharges and taxes thereon, in accordance with the terms, conditions and provisions of the Lease commencing on the Execution Date.

10. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless Landlord for, from and against any and all cost or liability for compensation claimed by any such broker or agent employed or engaged by it or claiming to have been employed or engaged by it.

11. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

12. Notices. Tenant confirms that, notwithstanding anything in the Lease to the contrary, notices delivered to Tenant pursuant to the Lease should be sent to:

Ardelyx, Inc.
34175 Ardenwood Blvd.
Fremont, California 94555
Attn: Vice President, Finance

13. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Existing Lease, as modified by this Amendment.

14. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

15. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

16. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed.

17. Counterparts; Facsimile and PDF Signatures. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document. A facsimile or portable document format (PDF) signature on this Amendment shall be equivalent to, and have the same force and effect as, an original signature.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

34175 ARDENWOOD VENTURE, LLC,
a Delaware limited liability company

By: BMR-34175 ARDENWOOD BOULEVARD LLC,
its Managing Member

By: /s/ Kevin M. Simonsen
Name: Kevin M. Simonsen
Title: VP, Real Estate Legal

TENANT:

ARDELYX, INC.,
a Delaware corporation

By: /s/ Michael Raab
Name: Michael Raab
Title: Chief Executive Officer

EXHIBIT A
ADDITIONAL PREMISES

EXHIBIT B
WORK LETTER

This Work Letter (this "Work Letter") is made and entered into as of the 5th day of September, 2014, by and between 34175 ARDENWOOD VENTURE, LLC, a Delaware limited liability company ("Landlord"), and ARDELYX, INC., a Delaware corporation ("Tenant"), and is attached to and made a part of that certain Second Amendment to Lease dated as of August September 5, 2014 (the "Second Amendment"), by and between Landlord and Tenant. All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Second Amendment.

1. General Requirements.

1.1. Authorized Representatives.

(a) Landlord designates, as Landlord's authorized representative ("Landlord's Authorized Representative"), (i) Andrew Richard as the person authorized to initial plans, drawings, approvals and to sign change orders pursuant to this Work Letter and (ii) an officer of Landlord as the person authorized to sign any amendments to this Work Letter or the Lease. Tenant shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by the appropriate Landlord's Authorized Representative. Landlord may change either Landlord's Authorized Representative upon one (1) business day's prior written notice to Tenant.

(b) Tenant designates George Jue ("Tenant's Authorized Representative") as the person authorized to initial and sign all plans, drawings, change orders and approvals pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any such item until such item has been initialed or signed (as applicable) by Tenant's Authorized Representative. Tenant may change Tenant's Authorized Representative upon one (1) business day's prior written notice to Landlord.

1.2. Schedule. The schedule for design and development of the Tenant Improvements, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with a schedule to be prepared by Tenant (the "Schedule"). Tenant shall prepare the Schedule so that it is a reasonable schedule for the completion of the Tenant Improvements. As soon as the Schedule is completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Schedule shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord disapproves the Schedule, then Landlord shall notify Tenant in writing of its objections to such Schedule, and the parties shall confer and negotiate in good faith to reach agreement on the Schedule. The Schedule shall be subject to adjustment as mutually agreed upon in writing by the parties, or as provided in this Work Letter.

1.3. Tenant's Architects, Contractors and Consultants. The architect, engineering consultants, design team, general contractor and subcontractors responsible for the construction of the Tenant Improvements shall be selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. Landlord may refuse to use any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony. All Tenant contracts related to the Tenant Improvements shall provide that Tenant may assign such contracts and any warranties with respect to the Tenant Improvements to Landlord at any time.

2. Tenant Improvements. All Tenant Improvements shall be performed by Tenant's contractor, at Tenant's sole cost and expense (subject to Landlord's obligations with respect to any portion of the TI Allowance) and in accordance with the Approved Plans (as defined below), the Lease and this Work Letter. To the extent that the total projected cost of the Tenant Improvements (as projected by Landlord) exceeds the TI Allowance (such excess, the "Excess TI Costs"), Tenant shall pay the costs of the Tenant Improvements on a pari passu basis with Landlord as such costs become due, in the proportion of Excess TI Costs payable by Tenant to the TI Allowance payable by Landlord. If the cost of the Tenant Improvements (as projected by Landlord) increases over Landlord's initial projection, then Landlord may notify Tenant and Tenant's pari passu share of the costs of the Tenant Improvements shall increase accordingly. If the actual Excess TI Costs are less than the Excess TI Costs paid by Tenant, Landlord shall credit Tenant with the overage paid by Tenant against Tenant's Rent obligations (any such credit, the "Excess TI Costs Overage Credit"), beginning after Landlord has completed the final accounting for the Tenant Improvements; provided, however, that in no event shall such credit exceed an amount equal to the difference between (a) the amount of the available TI Allowance (i.e., \$600,000) and (b) the amount of the TI Allowance actually paid by Landlord in connection with the Tenant Improvements. If Tenant fails to pay, or is late in paying, any sum due under this Work Letter, then Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including the right to interest and the right to assess a late charge), and for purposes of any litigation instituted with regard to such amounts the same shall be considered Rent. All material and equipment furnished by Tenant or its contractors as the Tenant Improvements shall be new or "like new;" the Tenant Improvements shall be performed in a first-class, workmanlike manner; and the quality of the Tenant Improvements shall be of a nature and character not less than the Building Standard. Tenant shall take, and shall require its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage. All Tenant Improvements shall be performed in accordance with Article 18 of the Lease; provided that, notwithstanding anything in the Lease or this Work Letter to the contrary, in the event of a conflict between this Work Letter and Article 18 of the Lease, the terms of this Work Letter shall govern.

2.1. Work Plans. Tenant shall prepare and submit to Landlord for approval schematics covering the Tenant Improvements prepared in conformity with the applicable provisions of this Work Letter (the "Draft Schematic Plans"). The Draft Schematic Plans shall contain sufficient information and detail to accurately describe the proposed design to Landlord and such other information as Landlord may reasonably request. Landlord shall notify Tenant in

writing within ten (10) business days after receipt of the Draft Schematic Plans whether Landlord approves or objects to the Draft Schematic Plans and of the manner, if any, in which the Draft Schematic Plans are unacceptable. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord reasonably objects to the Draft Schematic Plans, then Tenant shall revise the Draft Schematic Plans and cause Landlord's objections to be remedied in the revised Draft Schematic Plans. Tenant shall then resubmit the revised Draft Schematic Plans to Landlord for approval, such approval not to be unreasonably withheld, conditioned or delayed. Landlord's approval of or objection to revised Draft Schematic Plans and Tenant's correction of the same shall be in accordance with this Section until Landlord has approved the Draft Schematic Plans in writing or been deemed to have approved them. The iteration of the Draft Schematic Plans that is approved or deemed approved by Landlord without objection shall be referred to herein as the "Approved Schematic Plans."

2.2. Construction Plans. Tenant shall prepare final plans and specifications for the Tenant Improvements that (a) are consistent with and are logical evolutions of the Approved Schematic Plans and (b) incorporate any other Tenant-requested (and Landlord-approved) Changes (as defined below). As soon as such final plans and specifications ("Construction Plans") are completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Construction Plans shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If the Construction Plans are disapproved by Landlord, then Landlord shall notify Tenant in writing of its objections to such Construction Plans, and the parties shall confer and negotiate in good faith to reach agreement on the Construction Plans. Promptly after the Construction Plans are approved by Landlord and Tenant, two (2) copies of such Construction Plans shall be initialed and dated by Landlord and Tenant, and Tenant shall promptly submit such Construction Plans to all appropriate governmental authorities for approval. The Construction Plans so approved, and all change orders specifically permitted by this Work Letter, are referred to herein as the "Approved Plans."

2.3. Changes to the Tenant Improvements. Any changes to the Approved Plans (each, a "Change") shall be requested and instituted in accordance with the provisions of this Article 2 and shall be subject to the written approval of the non-requesting party in accordance with this Work Letter.

(a) Change Request. Either Landlord or Tenant may request Changes after Landlord approves the Approved Plans by notifying the other party thereof in writing in substantially the same form as the AIA standard change order form (a "Change Request"), which Change Request shall detail the nature and extent of any requested Changes, including (a) the Change, (b) the party required to perform the Change and (c) any modification of the Approved Plans and the Schedule, as applicable, necessitated by the Change. If the nature of a Change requires revisions to the Approved Plans, then the requesting party shall be solely responsible for the cost and expense of such revisions and any increases in the cost of the Tenant Improvements as a result of such Change. Change Requests shall be signed by the requesting party's Authorized Representative.

(b) Approval of Changes. All Change Requests shall be subject to the other party's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The non-requesting party shall have five (5) business days after receipt of a Change Request to notify the requesting party in writing of the non-requesting party's decision either to approve or object to the Change Request. The non-requesting party's failure to respond within such five (5) business day period shall be deemed approval by the non-requesting party.

2.4. Preparation of Estimates. Tenant shall, before proceeding with any Change, using its best efforts, prepare as soon as is reasonably practicable (but in no event more than five (5) business days after delivering a Change Request to Landlord or receipt of a Change Request) an estimate of the increased costs or savings that would result from such Change, as well as an estimate on such Change's effects on the Schedule. Landlord shall have five (5) business days after receipt of such information from Tenant to (a) in the case of a Tenant-initiated Change Request, approve or reject such Change Request in writing, or (b) in the case of a Landlord-initiated Change Request, notify Tenant in writing of Landlord's decision either to proceed with or abandon the Landlord-initiated Change Request.

2.5. Quality Control Program: Coordination. Tenant shall provide Landlord with information regarding the following (together, the "QCP"):
(a) Tenant's general contractor's quality control program and (b) evidence of subsequent monitoring and action plans. The QCP shall be subject to Landlord's reasonable review and approval and shall specifically address the Tenant Improvements. Tenant shall ensure that the QCP is regularly implemented on a scheduled basis and shall provide Landlord with reasonable prior notice and access to attend all inspections and meetings between Tenant and its general contractor. At the conclusion of the Tenant Improvements, Tenant shall deliver the quality control log to Landlord, which shall include all records of quality control meetings and testing and of inspections held in the field, including inspections relating to concrete, steel roofing, piping pressure testing and system commissioning.

3. Completion of Tenant Improvements. Tenant, at its sole cost and expense (except for the TI Allowance), shall perform and complete the Tenant Improvements in all respects (a) in substantial conformance with the Approved Plans, (b) otherwise in compliance with provisions of the Lease and this Work Letter and (c) in accordance with Applicable Laws, the requirements of Tenant's insurance carriers, the requirements of Landlord's insurance carriers (to the extent Landlord provides its insurance carriers' requirements to Tenant) and the board of fire underwriters having jurisdiction over the Premises. The Tenant Improvements shall be deemed completed at such time as Tenant shall furnish to Landlord (t) evidence satisfactory to Landlord that (i) all Tenant Improvements have been completed and paid for in full (which shall be evidenced by the architect's certificate of completion and the general contractor's and each subcontractor's and material supplier's final unconditional waivers and releases of liens, each in a form acceptable to Landlord and complying with Applicable Laws and a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor, together with a statutory notice of substantial completion from the general contractor), (ii) all Tenant Improvements have been accepted by Landlord, (iii) any and all liens related to the Tenant Improvements have either been

discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lien and (iv) no security interests relating to the Tenant Improvements are outstanding, (u) all certifications and approvals with respect to the Tenant Improvements that may be required from any governmental authority and any board of fire underwriters or similar body for the use and occupancy of the Premises (including a certificate of occupancy for the Premises for the Permitted Use), (v) certificates of insurance required by the Lease to be purchased and maintained by Tenant, (w) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises is in accordance with the Approved Plans, (x) complete "as built" drawing print sets, project specifications and shop drawings and electronic CADD files on disc (showing the Tenant Improvements as an overlay on the Building "as built" plans (provided that Landlord provides the Building "as-built" plans provided to Tenant) of all contract documents for work performed by their architect and engineers in relation to the Tenant Improvements, (y) a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems (which report Landlord may hire a licensed, qualified commissioning agent to peer review, and whose reasonable recommendations Tenant's commissioning agent shall perform and incorporate into a revised report) and (z) such other "close out" materials as Landlord reasonably requests consistent with Landlord's own requirements for its contractors, such as copies of manufacturers' warranties, operation and maintenance manuals and the like.

4. Insurance.

4.1. Property Insurance. At all times during the period beginning with commencement of construction of the Tenant Improvements and ending with final completion of the Tenant Improvements, Tenant shall maintain, or cause to be maintained (in addition to the insurance required of Tenant pursuant to the Lease), property insurance coverage with respect to the general contractor's and any subcontractors' machinery, tools and equipment. Coverage shall be carried on a primary basis by such general contractor or the applicable subcontractor(s). Tenant agrees to pay any deductible, and Landlord is not responsible for any deductible, for a claim under such insurance. Such property insurance shall contain an express waiver of any right of subrogation by the insurer against Landlord and the Landlord Parties, and shall name Landlord and its affiliates as loss payees as their interests may appear.

4.2. Workers' Compensation Insurance. At all times during the period of construction of the Tenant Improvements, Tenant shall, or shall cause its contractors or subcontractors to, maintain statutory workers' compensation insurance as required by Applicable Laws.

5. Liability. Tenant assumes sole responsibility and liability for any and all injuries or the death of any persons, including Tenant's contractors and subcontractors and their respective employees, agents and invitees, and for any and all damages to property caused by, resulting from or arising out of any act or omission on the part of Tenant, Tenant's contractors or subcontractors, or their respective employees, agents and invitees in the prosecution of the Tenant Improvements. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Parties harmless from and

against all Claims due to, because of or arising out of any and all such injuries, death or damage, whether real or alleged, and Tenant and Tenant's contractors and subcontractors shall assume and defend at their sole cost and expense all such Claims; provided, however, that nothing contained in this Work Letter shall be deemed to indemnify or otherwise hold Landlord harmless from or against liability caused by Landlord's negligence or willful misconduct. Any deficiency in design or construction of the Tenant Improvements shall be solely the responsibility of Tenant, notwithstanding the fact that Landlord may have approved of the same in writing.

6. TI Allowance.

6.1. Application of TI Allowance. Landlord shall contribute the TI Allowance toward the costs and expenses incurred in connection with the performance of the Tenant Improvements in accordance with the Second Amendment and this Work Letter. Subject to any Excess TI Costs Overage Credit, if the entire TI Allowance is not applied toward or reserved for the costs of the Tenant Improvements, then Tenant shall not be entitled to a credit of such unused portion of the TI Allowance. Tenant may apply the TI Allowance for the payment of construction and other costs in accordance with the terms and provisions of the Second Amendment and this Work Letter.

6.2. Approval of Budget for the Tenant Improvements. Notwithstanding anything to the contrary set forth elsewhere in this Work Letter or the Lease, Landlord shall not have any obligation to expend any portion of the TI Allowance until Landlord and Tenant shall have approved in writing the budget for the Tenant Improvements (the "Approved Budget"). Prior to Landlord's approval of the Approved Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Tenant Improvements as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Tenant Improvements that exceed the amount of the TI Allowance. Landlord shall not unreasonably withhold, condition or delay its approval of any budget for Tenant Improvements that is proposed by Tenant.

6.3. Fund Requests. Upon submission by Tenant to Landlord of (a) a statement (a "Fund Request") setting forth the total amount of the TI Allowance requested, (b) a summary of the Tenant Improvements performed using AIA standard form Application for Payment (G 702) executed by the general contractor and by the architect, (c) invoices from the general contractor, the architect, and any subcontractors, material suppliers and other parties requesting payment with respect to the amount of the TI Allowance then being requested, (d) unconditional lien releases from the general contractor and each subcontractor and material supplier with respect to previous payments made by either Landlord or Tenant for the Tenant Improvements in a form acceptable to Landlord and complying with Applicable Laws and (e) conditional lien releases from the general contractor and each subcontractor and material supplier with respect to the Tenant Improvements performed that correspond to the Fund Request each in a form acceptable to Landlord and complying with Applicable Laws, then Landlord shall, within thirty (30) days following receipt by Landlord of a Fund Request and the accompanying materials required by this Section, either (i) pay to the applicable contractors, subcontractors and material suppliers or, (ii) reimburse Tenant for payments made by Tenant to such contractors, subcontractors or material suppliers either prior to Landlord's approval of the Approved Budget or as a result of

Tenant's decision to pay for the Tenant Improvements itself and seek reimbursement from Landlord in accordance with the Second Amendment and this Work Letter), the amount of Tenant Improvement costs set forth in such Fund Request or Landlord's pari passu share thereof if Excess TI Costs exist based on the Approved Budget; provided, however, that Landlord shall not be obligated to make any payments under this Section until the budget for the Tenant Improvements is approved in accordance with Section 6.2, and any Fund Request under this Section shall be subject to the payment limits set forth in Section 6.2 above and the Second Amendment.

7. Miscellaneous.

7.1. Incorporation of Lease Provisions. Sections 41.3 through 41.10 and Sections 41.12 through 41.18 of the Lease are incorporated into this Work Letter by reference, and shall apply to this Work Letter in the same way that they apply to the Lease.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter to be effective on the date first above written.

LANDLORD:

34175 ARDENWOOD VENTURE, LLC,
a Delaware limited liability company

By: BMR-34175 ARDENWOOD BOULEVARD LLC,
its Managing Member

By: /s/ Kevin M. Simonsen
Name: Kevin M. Simonsen
Title: VP, Real Estate Legal

TENANT:

ARDELYX, INC.,
a Delaware corporation

By: /s/ Michael Raab
Name: Michael Raab
Title: Chief Executive Officer

TRANSITION AND SEPARATION AGREEMENT

This Transition and Separation Agreement (the "Agreement") by and between Dominique Charmot, Ph.D. ("Executive") and Ardelyx, Inc. (the "Company"), is made effective as of the date Executive signs this Agreement (the "Effective Date") with reference to the following facts:

A. Executive is the Company's Chief Scientific Officer and a member of the Company's Board of Directors (the "Board").

B. Executive and the Company entered into a Change in Control Severance Agreement dated June 14, 2014 (the "Severance Agreement") pursuant to which the Executive has certain severance rights for a covered termination and certain continuing obligations to the Company.

C. Executive's employment with the Company, status as an officer and employee of the Company, and membership on the Company's Board and any committees thereof will end effective upon the Resignation Date (as defined below).

D. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, all amounts due and owing to the Executive.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Resignation Date. Executive acknowledges and agrees that his status as an officer and employee of the Company and his membership on the Board and any committees thereof will end effective as of December 23, 2014 (the "Resignation Date"). Executive hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Executive's status as an officer of the Company and member of the Board; *provided* that such documents shall not be inconsistent with any of the terms of this Agreement. From the Effective Date through the Resignation Date, the Executive's employment with the Company shall continue in effect, and Executive shall enjoy the same salary, benefits and other compensation terms as in effect on the Effective Date.

2. Transition. During the period commencing on the Effective Date and ending on (a) the Resignation Date, or (b) such earlier date as Executive resigns his employment or the Company terminates Executive's employment for Cause (as defined in the Severance Agreement) Executive shall continue to be employed by the Company in the full-time position of Chief Scientific Officer and to receive salary and benefits as in effect as of the Effective Date. All compensation paid to Executive pursuant to this Section 2 shall be subject to standard payroll deductions and withholding.

3. Severance Payments and Benefits. The Company hereby agrees, subject to Executive delivering to the Company a General Release of Claims substantially in the form attached hereto as Exhibit A (the "Release of Claims") on the Resignation Date, Executive not revoking the Release of Claims within the seven (7)-day period following his execution of the Release of Claims (the "Revocation Period"), and Executive's performance of his continuing obligations pursuant to this Agreement and the Proprietary Information and Inventions Assignment Agreement entered into between Executive and the Company, as of November 1, 2007 (the "Confidential Information Agreement"), to provide the payments and benefits set forth in this Section 3.

(a) *Severance Payments.* Subject to the continued effectiveness of this Agreement and the Release of Claims as of such date, on the first business day following the Revocation Period, the Company shall make a lump sum payment to Executive equal to twelve (12) months' of his then-current base salary but no later than December 31, 2014 provided that the Revocation Period has lapsed by such date (the "Severance Payment"). The Severance Payment shall be subject to standard payroll deductions and withholding.

(b) *COBRA Reimbursement.* Provided that Executive timely elects to receive continued healthcare coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or applicable state law (collectively referred to as "COBRA"), the Company will reimburse COBRA premiums paid by the Executive for the lesser of (i) twenty-four (24) months, or (ii) the date upon which Executive is otherwise no longer eligible for COBRA continuation coverage.

(c) *Restricted Stock.* Effective as of the day after the end of the Revocation Period, and provided that Executive has not revoked this Agreement or the Release of Claims during the Revocation Period, all outstanding shares of Common Stock held by the Executive shall become fully vested, and the Company's right of repurchase of such shares shall lapse, on such date.

(d) *Benefits.* Executive understands and agrees that, notwithstanding his right to receive the Severance Payment, Executive shall not be eligible to participate in or accrue benefits under any Company benefit plan for which status as an employee of the Company is a condition of such participation or accrual. To the extent that Executive was deemed eligible to participate, as an employee, in any Company benefit plan, he hereby waives his participation.

4. Final Paycheck; Payment of Accrued Wages and Expenses.

(a) *Final Paycheck.* On the Resignation Date, the Company will pay Executive all accrued but unpaid base salary and all accrued and unused vacation or other paid time off earned through the Resignation Date, subject to standard payroll deductions and withholding. Executive is entitled to these payments regardless of whether Executive executes this Agreement or a Release of Claims (as defined below).

(b) *Annual Bonus.* Subject to the continued effectiveness of this Agreement and the Release of Claims as of such date, on the first business day following the Revocation Period, the Company shall pay the Executive his annual bonus for 2014 in a lump sum payment in an amount equal to twenty-five percent (25%) of his then current base salary but no later than December 31, 2014 provided that the Revocation Period has lapsed by such date (the "Bonus Payment"). The Bonus Payment shall be subject to standard payroll deductions and withholding.

(c) *Business Expenses.* The Company shall reimburse Executive for all outstanding expenses incurred prior to the Resignation Date which are consistent with the Company's policies in effect from time to time with respect to travel and other business expenses, subject to the Company's requirements with respect to reporting and documenting such expenses, including, without limitation, expenses incurred pursuant to Executive's services as a director of any of the Company's subsidiaries. Executive is entitled to these payments regardless of whether Executive executes this Agreement or a Release of Claims (as defined below).

5. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of his employment with the Company and the termination thereof. Executive further acknowledges that, other than the Confidential Information Agreement and the agreements under which Executive acquired his shares of the Company's Common Stock (the "Stock Agreements"), this Agreement shall supersede each agreement entered into between Executive and the Company regarding Executive's employment, including, without limitation, the Severance Agreement and any offer letter, or employment agreement and each such agreement other than the Stock Agreements and the Confidential Information Agreement shall be deemed terminated and of no further effect as of the Resignation Date.

6. Executive's Release of the Company. Executive agrees that the consideration set forth in this Agreement represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, affiliates, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees").

(a) Executive, on his own behalf and on behalf of his family members, heirs, executors, administrators, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

(i) any and all claims relating to or arising from Executive's employment relationship with Company and the termination of that relationship;

(ii) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(iii) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act, except as prohibited by law; the Sarbanes-Oxley Act of 2002, except as prohibited by law; the Uniformed Services

Employment and Reemployment Rights Act; the California Family Rights Act; the California Labor Code, except as prohibited by law; the California Workers' Compensation Act, except as prohibited by law; and the California Fair Employment and Housing Act;

(iv) any and all claims for violation of the federal or any state constitution;

(v) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(vi) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement;

(vii) any and all claims for attorneys' fees and costs.

(b) Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement or the Stock Agreements. This release does not release claims or rights that cannot be released as a matter of law, including, but not limited to, claims under Division 3, Article 2 of the California Labor Code (which includes California Labor Code Section 2802 regarding indemnity for necessary expenditures or losses by Executive) any other indemnification, defense, or hold-harmless rights Executive may have, and Executive's right to bring to the attention of the Equal Employment Opportunity Commission or California Department of Fair Employment and Housing claims of discrimination, harassment or retaliation; provided, however, that Executive does release his right to obtain damages for any such claims. This release does not release claims or rights that the Executive may have as a shareholder of the Company or for benefits under any benefit plan or to participation in any such plan pursuant to the terms thereof or applicable law.

(c) Executive acknowledges that he has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of said code section, agrees to expressly waive any rights he may have thereunder, as well as under any other statute or common law principles of similar effect.

7. Non-Disparagement; Transfer of Company Property. Executive further agrees that:

(a) *Non-Disparagement.* Executive agrees that he shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders, employees, products, services, technology or business, either publicly or privately. The Company agrees that it shall not, and it shall instruct its officers and members of the Board to not, disparage, criticize or defame Executive, either publicly or privately. Nothing in this Section 7(a) shall have application to any evidence or testimony required by any court, arbitrator or government agency.

(b) *Transfer of Company Property.* On or before the Resignation Date, Executive shall turn over to the Company all files, memoranda, records, and other documents, and any other physical or personal property which are the property of the Company and which he has in his possession, custody or control at the Resignation Date.

8. Confidentiality; Non-Solicitation.

(a) *Confidentiality.* While Executive is employed by the Company, and thereafter, Executive shall not directly or indirectly disclose or make available to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, any Confidential Information (as defined below). On and after the Resignation Date, the Company's Vice Presidents and Senior Directors shall use all reasonable efforts not to provide any Company Confidential Information to Executive and the Company shall terminate all electronic and other access to the Company's Confidential Information by Executive. On the Resignation Date, all Confidential Information in Executive's possession that is in written or other tangible form (together with all copies or duplicates thereof, including computer files) shall be returned to the Company and shall not be retained by Executive or furnished to any third party, in any form except as provided herein; *provided, however*, that Executive shall not be obligated to treat as confidential, or return to the Company copies of any Confidential Information that (i) was publicly known at the time of disclosure to Executive, (ii) becomes publicly known or available thereafter other than by any means in violation of this Agreement, the Confidential Information Agreement or any other duty owed to the Company by any person or entity, or (iii) is lawfully disclosed to Executive by a third party. For purposes of this Agreement, the term "Confidential Information" shall mean information, technical data, know-how or trade secrets disclosed to Executive or known by Executive as a consequence of or through his or her relationship with the Company, relating to research, products, developments, inventions, processes, techniques, chemical structures, finances, business plans or regulatory strategies of the Company and its affiliates. In addition, for the avoidance of doubt, Executive shall continue to be subject to the Confidential Information Agreement.

(b) *Non-Solicitation.* In addition to each Executive's obligations under the Confidential Information Agreement, Executive shall not for a period of two (2) years following Executive's termination of employment for any reason, either on Executive's own account or jointly with or as a manager, agent, officer, employee, consultant, partner, joint venturer, owner or stockholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit or attempt to solicit away from the Company any of its officers or employees or offer employment to any person who is an officer or employee of the Company; *provided, however*, that a general advertisement to which an employee of the Company responds shall in no event be deemed to result in a breach of this Section 8(b). Executive also agrees not to harass or disparage the Company or its employees, clients, directors or agents or divert or attempt to divert any actual or potential business of the Company. If it is determined by a court of competent jurisdiction in any state that any

restriction in this Section 8(b) is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

9. Executive Representations. Executive warrants and represents that (a) he has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on his behalf, he will use reasonable best efforts to immediately cause it to be withdrawn and dismissed, and (b) he has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act or any similar state law, and (c) he has received the Company's Insider Trading Compliance Policy and agrees to continue to abide by all applicable terms therein, including specifically, Section IV (C) which states, "With the exception of the preclearance requirement, the insider trading laws continue to apply to all transactions in the Company's securities even after termination of service of service to the Company. If an individual is in the possession of material non-public information when his or her service terminates, that individual may not trade in the Company's securities until that information has become public or is no longer material."

10. No Assignment by Executive. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation or operation of law or otherwise. If any claim, action, demand or suit should be made or instituted against the Company or any other Releasee because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company and all other Releasees against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. In the event of Executive's death, this Agreement shall inure to the benefit of Executive and Executive's executors, administrators, heirs, distributees, devisees, and legatees. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only upon Executive's death by will or operation of law.

11. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those of any state other than California.

12. Miscellaneous. This Agreement, together with the Confidential Information Agreement, the Stock Agreements and the form of General Release of Claims attached as Exhibit A hereto comprise the entire agreement between the parties with regard to the subject matter hereof and supersedes, in their entirety, any other agreements between Executive and the Company with regard to the subject matter hereof. Executive acknowledges that there are no other agreements, written, oral or implied, and that he may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

13. Company Assignment and Successors. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company and its successors, assigns, personnel and legal representatives.

14. Maintaining Confidential Information. Executive reaffirms his obligations under the Confidential Information Agreement. Executive acknowledges and agrees that the payments provided in Sections 2 and 3 above shall be subject to Executive's continued compliance with Executive's obligations under the Confidential Information Agreement.

15. Executive's Cooperation. Executive further agrees that:

(a) *Transition.* From the Effective Date through the Resignation Date, Executive shall continue to provide full-time services to the Company, shall continue to discharge all duties of the position of the Chief Scientific Officer ("CSO") until such time as a new is retained, and shall cooperate with the Company in the preparation and presentation of public statements regarding Executive's planned departure from the Company and provide reasonable assistance to the new CSO and other members of management. Following the Resignation Date, except as provided in Section 15(b), below or otherwise agreed by Executive, Executive's obligation of continued cooperation shall be limited to the provision of reasonable assistance with respect to intellectual property matters relating to the Company's issued patents and patent applications pending as of the Resignation Date.

(b) *Investigations.* After the Resignation Date, Executive shall use reasonable efforts to cooperate with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters within the scope of Executive's duties and responsibilities to the Company or its affiliates during his employment with the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Executive's possession during his employment); *provided, however,* that any such request by the Company shall not be unduly burdensome or interfere with Executive's personal schedule or ability to engage in gainful employment, consulting or other work, and the Company shall pay, upon invoicing by Executive, all reasonably incurred fees for his time in so cooperating (which shall not exceed one thousand dollars (\$1,000) per eight hour day), and reimburse Executive for his actual, reasonable, out-of-pocket expenses (including without limitation, any and all reasonable attorney's fees and costs) incurred in connection with providing any such cooperation.

(Signature page(s) follow)

IN WITNESS WHEREOF, the undersigned have caused this Transition and Separation Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

DATED: September 4, 2014

/s/ Dominique Charmot, Ph.D.
Dominique Charmot, Ph.D.

ARDELYX, INC.

DATED: September 4, 2014

By: /s/ Mike Raab
Mike Raab, President & CEO

EXHIBIT A
GENERAL RELEASE OF CLAIMS

This General Release of Claims (“Release”) is entered into as of _____, between Dominique Charmot, Ph.D. (“Executive”) and Ardelyx, Inc. (the “Company”) (collectively referred to herein as the “Parties”), effective eight (8) days after Executive’s signature hereto (the “Effective Date”), unless Executive revokes his acceptance of this Release as provided in Paragraph 1(c), below.

1. Executive’s Release of the Company.

(a) Executive, on his own behalf and on behalf of his family members, heirs, executors, administrators, agents, and assigns, hereby and forever releases the Company and its current and former officers, directors, employees, agents, investors, attorneys, affiliates, divisions, and subsidiaries, and predecessor and successor corporations and assigns (the “Releasees”) from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Executive signs this Release, including, without limitation:

(i) any and all claims relating to or arising from Executive’s employment relationship with Company and the termination of that relationship;

(ii) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(iii) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act, except as prohibited by law; the Sarbanes-Oxley Act of 2002, except as prohibited by law; the Uniformed Services Employment and Reemployment Rights Act; the California Family Rights Act; the California Labor Code, except as prohibited by law; the California Workers’ Compensation Act, except as prohibited by law; and the California Fair Employment and Housing Act;

(iv) any and all claims for violation of the federal or any state constitution;

-
- (v) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;
 - (vi) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of the Transition and Separation Agreement entered into between the Parties as of September 4, 2014 (the "Transition and Separation Agreement");
 - (vii) any claim for breach of contract or breach of the implied covenant of good faith and fair dealing;
 - (viii) any and all claims for attorneys' fees and costs.

(b) Executive agrees that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under the Transition and Separation Agreement or the Stock Agreements (each as defined in the Transition and Separation Agreement). This release does not release claims or rights that cannot be released as a matter of law, including, but not limited to, claims under Division 3, Article 2 of the California Labor Code (which includes California Labor Code Section 2802 regarding indemnity for necessary expenditures or losses by Executive) any other indemnification, defense, or hold-harmless rights Executive may have, and Executive's right to bring to the attention of the Equal Employment Opportunity Commission or California Department of Fair Employment and Housing claims of discrimination, harassment or retaliation; provided, however, that Executive does release his right to obtain damages for any such claims. This release does not release claims or rights that the Executive may have as a shareholder of the Company or for vested benefits under any benefit plan or to continued participation in any such plan pursuant to the terms thereof or applicable law.

(c) Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive acknowledges that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Release. Executive acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that: (a) he should consult with an attorney prior to executing this Release; (b) he has twenty-one (21) days within which to consider this Release; (c) he has seven (7) days following his execution of this Release to revoke this Release; (d) this Release shall not be effective until after the revocation period has expired and Executive will not receive the severance and other benefits provided by Section 3 of the Transition and Separation Agreement; and (e) nothing in this Release prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Release and returns it to the Company's General Counsel in less than the 21-day period identified above, Executive hereby acknowledges that he has freely and voluntarily chosen to waive the time period allotted for considering this Release. To revoke his acceptance of this Release, Executive must contact the Company's General Counsel by email at egrammer@ardelyx.com no later than 5 p.m. on the 7th day following Executive's signature of this Release.

(d) California Civil Code Section 1542. Executive acknowledges that he has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of said code section, agrees to expressly waive any rights he may have thereunder, as well as under any other statute or common law principles of similar effect.

2. Executive Representations. Executive represents and warrants that:

(a) To Executive's knowledge, Executive has returned to the Company all Company property in Executive's possession and if he discovers additional Company property in his possession he will promptly return it to the Company;

(b) Except as Executive has informed the Company in writing, Executive is not owed wages, commissions, bonuses or other compensation, other than any payments that become due under Sections 3 and 4(b) of the Transition and Separation Agreement;

(c) During the course of Executive's employment Executive did not sustain any injuries for which Executive might be entitled to compensation pursuant to worker's compensation law or Executive has disclosed any injuries of which he is currently, reasonably aware for which he might be entitled to compensation pursuant to worker's compensation law;

(d) From the date Executive executed the Transition and Separation Agreement through the date Executive executes this Release, Executive has not made any disparaging comments about the Company, nor will Executive do so in the future; and

(e) Executive has not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will Executive do so in the future with respect to any claims released hereby, except as specifically allowed by this Release.

3. Continuing Obligations. Executive reaffirms his obligations under the Transition and Separation Agreement and under the Confidential Information Agreement (as defined in the Transition and Separation Agreement).

4. Cooperation with the Company. Executive reaffirms his obligations to cooperate with the Company pursuant to Section 15 of the Transition and Separation Agreement.

5. Severability. The provisions of this Release are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

6. Choice of Law. This Release shall in all respects be governed and construed in accordance with the laws of the State of California, including all matters of construction, validity and performance, without regard to conflicts of law principles.

7. Integration Clause. This Release and the Transition and Separation Agreement, the Confidential Information Agreement, and the Option Agreements contain the Parties' entire agreement with regard to the transition and separation of Executive's employment, and supersede and replace any prior agreements as to those matters, whether oral or written. This Release may not be changed or modified, in whole or in part, except by an instrument in writing signed by Executive and the President & Chief Executive Officer of the Company.

8. Execution in Counterparts. This Release may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

9. Intent to be Bound. The Parties have carefully read this Release in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all Parties.

(Signature page(s) follow)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing on the dates shown below.

EXECUTIVE

ARDELYX, INC.

/s/ Dominique Charmot

Dominique Charmot, Ph.D.

/s/ Mike Raab

By: Mike Raab
Title: President & CEO

Date: September 4, 2014

Date: September 4, 2014

Ardelyx Chief Scientific Officer, Dominique Charmot, Announces Retirement from the Company at Year-End

Fremont, CA, Sept. 5, 2014 – Ardelyx, Inc. (NASDAQ: ARDX), a clinical-stage biopharmaceutical company focused on cardio-renal, gastrointestinal and metabolic diseases, today announced that Dominique Charmot, Ph.D., the Company’s Chief Scientific Officer, has announced his retirement from Ardelyx, effective December 23, 2014. Dr. Charmot cited personal reasons for his departure, including his desire to spend more time with his family.

“Dominique has been a vital factor in the growth and development of Ardelyx, including his essential role in the formation of our company as a co-founder and his direct responsibility for the discovery of tenapanor, our lead product in development with AstraZeneca,” said Mike Raab, President and CEO of Ardelyx. “He was able to guide the Company’s research from formation to IPO, a significant achievement by any measure. We wish him well in his future endeavors.”

“I am proud of our accomplishments at Ardelyx, and it has been a great experience working with such a talented and dedicated team,” stated Dr. Charmot. “I look forward to the Company’s continued progress and to the advancement of the Company’s promising pipeline.”

About Ardelyx, Inc.

Ardelyx is a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of innovative, non-systemic, small molecule therapeutics that work exclusively in the gastrointestinal tract to treat cardio-renal, gastrointestinal and metabolic diseases. The Company has developed a proprietary drug discovery and design platform enabling it, in a rapid and cost-efficient manner, to discover and design novel drug candidates. Utilizing this platform, Ardelyx has discovered and designed tenapanor, a product candidate currently in three separate Phase 2 clinical trials for the treatment of constipation-predominant irritable bowel syndrome (IBS-C), complications associated with end-stage renal disease (ESRD), and chronic kidney disease (CKD).

Ardelyx formed a collaborative partnership with AstraZeneca in October 2012 to develop and commercialize tenapanor. In addition to tenapanor, the Company has discovered small molecule NaP2b inhibitors for the treatment of hyperphosphatemia in ESRD, a program licensed to Sanofi, and independently is advancing several additional research programs focused in cardio-renal, gastrointestinal and metabolic diseases. Ardelyx is located in Fremont, California. For more information, please visit Ardelyx’s website at www.ardelyx.com.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts regarding Ardelyx, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor of the Private Securities Reform Act of 1995, including statements regarding Ardelyx’s continued progress and the advancement

of its pipeline. Such forward-looking statements involve substantial risks and uncertainties that could cause Ardelyx's future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the uncertainties inherent in the clinical development process, and the uncertainties inherent in the research and discovery process. Ardelyx undertakes no obligation to update or revise any forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Ardelyx's business in general, please refer to Ardelyx's prospectus filed with the Securities and Exchange Commission on June 19, 2014, and its second quarter report filed on Form 10-Q filed with the Securities and Exchange Commission on August 8, 2014.

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