

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

**FORM S-1  
 REGISTRATION STATEMENT**

*Under  
 The Securities Act of 1933*

**Revolution Medicines, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
 (State or other jurisdiction of  
 incorporation or organization)

2836  
 (Primary Standard Industrial  
 Classification Code Number)  
 700 Saginaw Drive  
 Redwood City, California 94063  
 (650) 481-6801

47-2029180  
 (I.R.S. Employer  
 Identification Number)

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

Mark A. Goldsmith, M.D., Ph.D.  
 President and Chief Executive Officer  
 Revolution Medicines, Inc.  
 700 Saginaw Drive  
 Redwood City, California 94063  
 (650) 481-6801

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

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Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this registration statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
 Non-accelerated filer

Accelerated filer   
 Smaller reporting company   
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act.

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee
Common Stock, \$0.0001 par value per share	\$	\$

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase from the registrant, if any. See "Underwriting."

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to completion, dated \_\_\_\_\_, 2019

Preliminary prospectus

**shares**



## Common stock

This is the initial public offering of shares of common stock of Revolution Medicines, Inc. We are selling \_\_\_\_\_ shares of our common stock. The estimated initial public offering price is between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share.

Prior to this offering, there has been no public market for our common stock.

We have applied to list our common stock on the Nasdaq Global Market under the symbol "RVMD."

We are an "emerging growth company" as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and may elect to do so in future filings.

	Per share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts(1)	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____

(1) See the section titled "Underwriting" beginning on page 191 for additional information regarding compensation payable to the underwriters.

We have granted the underwriters an option to purchase up to an additional \_\_\_\_\_ shares from us at the initial public offering price less the underwriting discounts and commissions. The underwriters may exercise this right at any time within 30 days after the date of this prospectus.

**Investing in our common stock involves a high degree of risk. See the section titled "[Risk factors](#)" beginning on page 12 to read about factors you should consider before buying shares of our common stock.**

**Neither the Securities and Exchange Commission nor any other state securities commission has approved or disapproved of these securities, or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares against payment in New York, New York on \_\_\_\_\_, 2019.

**J.P. Morgan      Cowen      SVB Leerink      Guggenheim Securities**

Prospectus dated \_\_\_\_\_, 2019

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Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, or other earlier date stated in this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

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Revolution Medicines® and our logo are some of our trademarks used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks, service marks and tradenames referred to in this prospectus may appear without the ® and ™ symbol, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks, service marks and tradenames.

**Through and including [redacted], 2019 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.**

## Prospectus summary

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the section in this prospectus titled “Risk factors” and our consolidated financial statements and the related notes thereto included at the end of this prospectus, before making an investment decision. As used in this prospectus, unless the context otherwise requires, references to “we,” “us,” “our,” “our company,” “the Company” and “Revolution Medicines” refer to Revolution Medicines, Inc. and its subsidiary taken as a whole, and references to “Warp Drive” refer to its wholly-owned subsidiary Warp Drive Bio, Inc.*

### Overview

We are a clinical-stage precision oncology company focused on developing novel targeted therapies to inhibit elusive, high-value *frontier* targets within notorious growth and survival pathways, with particular emphasis on the RAS and mTOR signaling pathways. We define *frontier* targets as proteins that play an important role in cancer and for which there is either: no approved drug that directly inhibits it, or one or more approved drugs that directly inhibit it but through a mechanism of action that may not enable suppression of the full range of its biologic contributions to cancer. Our understanding of genetic drivers and adaptive resistance mechanisms in cancer, coupled with robust drug discovery and medicinal chemistry capabilities, has guided us to establish a deep pipeline targeting critical signaling nodes within these pathways. This cohesive approach underpins our clinical strategy of exploring mechanism-based dosing paradigms and in-pathway combinations to optimize treatment for cancer patients. Our most advanced product candidate, RMC-4630, is a potent and selective inhibitor of SHP2, based on preclinical evidence described in this prospectus. SHP2 is a central node in the RAS signaling pathway. In collaboration with Sanofi, we are evaluating RMC-4630 in a multi-cohort Phase 1/2 clinical program, with clinical activity data in selected patient cohorts expected in 2020. Leveraging our proprietary tri-complex technology platform, we are also developing a portfolio of mutant-selective RAS inhibitors that we believe are the first potent, selective, cell-active inhibitors of the active, GTP-bound form of RAS, or RAS(ON). Initially, we will prioritize four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. Our pipeline also includes inhibitors of other key nodes within the RAS and mTOR signaling pathways, such as SOS1 and mTORC1. Our pipeline includes one product candidate that is in clinical development and all of our other programs are in the preclinical stage. We believe our deep, differentiated pipeline and development strategies provide us with the opportunity to pioneer novel treatment regimens to maximize the depth and durability of clinical benefit and circumvent adaptive resistance mechanisms for patients with cancers dependent on these critical pathways.

The following table summarizes our pipeline.

Pathway	Target	Preclinical		Clinical			Partner
			IND	Phase 1	Phase 2	Phase 3	
RAS	SHP2 RMC-4630	→					SANOFI
	Multiple RAS(ON) KRAS <sup>G12C</sup> KRAS <sup>G13C</sup> KRAS <sup>G12D</sup> NRAS <sup>G12C</sup>	→					
	SOS1	→					
mTOR	mTORC1 RMC-5552	→					

Under our collaboration on our SHP2 program with Sanofi, we have a 50-50 profit share and a co-promote right in the United States and are eligible to receive royalties on net sales outside of the United States. Sanofi is responsible for reimbursing substantially all of our research costs and all of our development costs for the SHP2 program. For all other programs, we retain worldwide commercial rights.

### Our opportunity and innovation engine

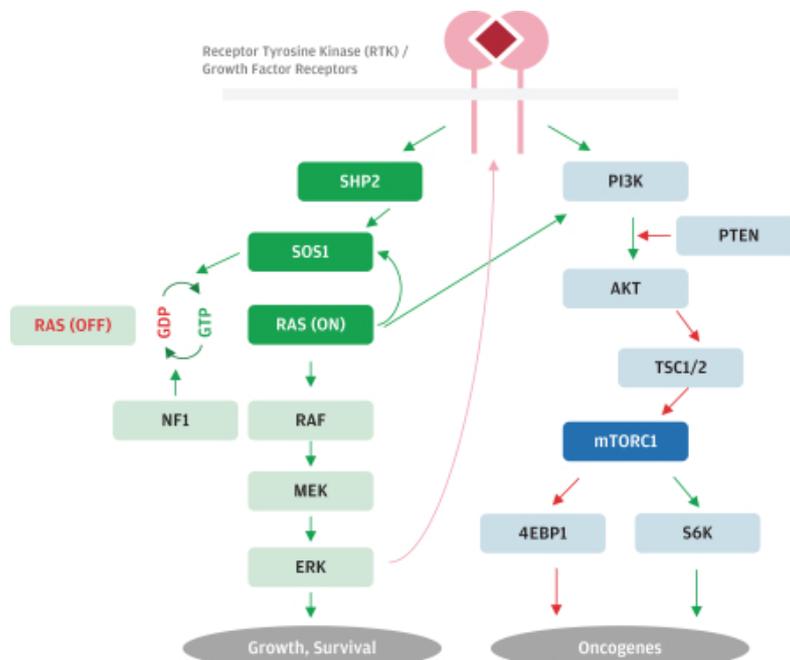
The RAS and mTOR signaling cascades are among the most frequently exploited by human cancers, where mutations in key nodes in these pathways cause excessive or aberrant signaling and cell growth. For example, mutations in RAS proteins account for approximately 30% of all human cancers in the United States, many of which are fatal. According to the National Cancer Institute, KRAS protein mutations occur in up to 35% of lung, 45% of colon and 95% of pancreatic cancers. Cancers caused by RAS-pathway mutations exhibit a phenomenon called “oncogene addiction,” in which tumor cells become highly dependent on signaling through the RAS pathway to survive. The importance of the RAS pathway in cancer has led to the development of several targeted therapies that can profoundly inhibit tumor growth and cause regressions in some instances. However, cancer cells can eventually develop adaptive resistance, losing sensitivity to treatment by hijacking other cell signaling circuitry to circumvent the inhibition and restore RAS-dependent signaling. The need to overcome this resistance in treating RAS-dependent tumors has led to the use of combination regimens designed to inhibit the RAS signaling pathway at multiple nodes simultaneously in an attempt to prolong the depth and durability of clinical benefit.

Despite recent progress in targeted therapies, we believe there is a significant need and opportunity to further improve the treatment of certain cancers. We have built an innovation engine consisting of three complementary drivers that enable us to discover and develop targeted therapies for elusive, high-value *frontier* cancer targets within notorious growth and survival pathways:

- Deep **chemical biology and cancer pharmacology know-how**, including assays and proprietary tool compounds, to define the critical vulnerabilities of “frontier” RAS and mTOR pathway targets and associated signaling circuits in cancer cells;

- Sophisticated **structure-based drug discovery capabilities**, including proven **access to complex chemical space**, to create drug candidates tailored to unconventional binding sites on elusive cancer targets; and
- Astute **precision medicine approach**, embracing patient selection and innovative single agent and combination drug regimens, to translate our preclinical insights into clinical benefit for patients with genetically-defined cancers that are addicted to these pathways.

Focusing these drivers on a cohesive set of related disease targets provides biological, chemical and translational insights that can be leveraged to maximize the efficiency and effectiveness of our discovery and development efforts. We have built a portfolio of compounds that inhibit select signaling nodes within these pathways, including clinical targets that previously have been difficult or impossible to drug. To date, our discovery and development efforts have focused on SHP2, RAS, SOS1 and mTORC1 (these targets are shaded dark green or blue in the figure below). We believe our current and future product candidates, when used in specialized dosing paradigms and rational in-pathway combinations, will have the potential to promote profound and sustainable clinical benefit, combat adaptive resistance mechanisms and, in some cases, supplant the current standard of care for patients with tumors driven by these pathways.



## Our product candidates

### *RMC-4630, a SHP2 inhibitor*

Our most advanced product candidate, RMC-4630, is a potent and selective inhibitor of SHP2, based on preclinical evidence described in this prospectus. SHP2 is a protein that plays a central role in modulating cell survival and growth by transmitting signals from upstream receptor tyrosine kinases, or RTKs, to RAS. In collaboration with Sanofi, we are evaluating RMC-4630 in a multi-cohort Phase 1/2 clinical program, which

includes our ongoing Phase 1 trial of RMC-4630 as monotherapy in patients with tumors harboring genetically defined mutations in the RAS signaling pathway. Based on our own data, and supported by observations by others, we are evaluating intermittent dosing schedules in our clinical program to allow us to maximize dose intensity in order to achieve the greatest depth of response. We also plan to explore the potential clinical benefit of RMC-4630 in combination with other in-pathway agents such as MEK, RTK (initially EGFR) and KRAS<sup>G12C</sup> inhibitors as well as in combination with PD-1 inhibitors. We initiated the first such combination trial in July 2019, a Phase 1b/2 trial with Roche's MEK inhibitor cobimetinib (marketed as COTELLIC). Although we are at an early stage of clinical testing and product candidate development, we believe RMC-4630 is well positioned to become the backbone of targeted therapy combinations for the treatment of various RAS-dependent tumors.

#### ***RAS(ON) portfolio***

We are also developing a portfolio of what we believe to be the first potent, selective and cell-active inhibitors of mutant RAS(ON) proteins. Historically, direct inhibition of any RAS protein has been challenging due to a lack of tractable, or "druggable," binding pockets. Recently, selective inhibitors of inactive, GDP-bound forms of RAS, or RAS(OFF), have demonstrated encouraging preliminary anti-tumor effects and thus provide clinical validation for targeting mutant RAS in cancer. Our small molecule inhibitors of mutant RAS(ON) are derived from our proprietary tri-complex technology platform, which enables us to target proteins lacking intrinsic drug binding sites by inducing new druggable pockets. In tumor cells that are addicted to high levels of RAS activation, we believe that selective inhibitors of RAS(ON) will suppress cell growth and survival and be less susceptible to adaptive resistance mechanisms recognized for RAS(OFF) inhibitors. Initially, we will prioritize four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. We plan to evaluate our RAS(ON) inhibitors alone and in combination with other drugs and investigational new drugs, particularly in-pathway agents. We believe that targeted inhibition of various oncogenic RAS(ON) mutants represents a highly differentiated approach for treating the large population of patients with diverse RAS mutations, including non-small cell lung cancer, or NSCLC, colorectal, pancreatic and other cancers.

#### ***SOS1 and 4EBP1/mTORC1 programs***

We have two preclinical programs targeting other key nodes in the RAS and mTOR signaling pathways. Our program targeting SOS1, a protein that plays a key role in converting RAS(OFF) to RAS(ON) in cells, is currently in lead generation stage. In addition, our preclinical development candidate, RMC-5552, is designed to selectively and deeply inhibit mTORC1, thereby preventing phosphorylation and inactivation of 4EBP1, a downstream protein in the mTOR signaling pathway that normally suppresses expression of certain oncogenes such as C-MYC. We advanced RMC-5552 into IND-enabling development in June 2019.

#### ***Our team***

Our management team has significant experience in oncology and in progressing products from early stage research to clinical trials, and ultimately to regulatory approval and commercialization. Dr. Steve Kelsey, our President of Research and Development, was previously President of Onkaido Therapeutics, a Moderna venture focused on oncology mRNA therapeutics, and has held senior positions at Medivation, Geron and Genentech, where he played a significant role in the development of Perjeta, Kadcyla and Erivedge. Our President and Chief Executive Officer, Dr. Mark Goldsmith, served as Chief Executive Officer of Constellation Pharmaceuticals, where he led the creation of its oncology pipeline and drove the development of a strategic alliance with Genentech. He also has led four other companies spanning early discovery through development, including Global Blood

Therapeutics, where he led the discovery and early development of voxelotor. Our company was founded and continues to be supported by three world-class scientific advisors: Dr. Kevan Shokat (Professor and Chair of the Department of Cellular and Molecular Pharmacology at University of California, San Francisco, Professor of Chemistry at the University of California, Berkeley and an investigator at the Howard Hughes Medical Institute), Dr. Martin Burke (Professor of Chemistry at the University of Illinois at Urbana-Champaign) and Dr. Michael Fischbach (Associate Professor in the Department of Bioengineering at Stanford University and a Stanford ChEM-H Institute Scholar). Dr. Shokat is widely recognized for his seminal contributions to the field of kinase biology, using chemistry, protein engineering and genetic tools to pioneer novel therapeutic approaches to target key signaling pathways in cancer. He led the discovery of the first KRAS<sup>G12C</sup>(OFF) inhibitor. We are also supported by a leading syndicate of investors, which include our founding investor, Third Rock Ventures, and BVF, Casdin Capital, Cormorant, Deerfield, Fidelity, Nextech, Tavistock, The Column Group and Vivo Ventures.

## **Our strategy**

Our goal is to develop novel targeted therapies to outsmart cancer for the benefit of patients. We plan to pursue the following strategies:

- Deploy our innovation engine against *frontier* oncology targets;
- Establish our proprietary SHP2 inhibitor, RMC-4630, as the backbone of targeted therapy combinations for the treatment of RAS-dependent tumors;
- Pioneer mutant selective RAS(ON) inhibition across multiple genetically defined cancers;
- Maximize the global value of our programs by continuing to execute synergistic and value-creating transactions; and
- Maintain our culture of tireless commitment to patients.

## **Risks related to our business**

Our ability to execute our business strategy is subject to numerous risks, including those described in the section titled "Risk factors" immediately following this prospectus summary. These risks include the following, among others:

- We are a clinical-stage precision oncology company with a limited operating history and no products approved for commercial sale. We have incurred significant losses since inception. We expect to incur losses for at least the next several years and may never achieve or maintain profitability, which, together with our limited operating history, makes it difficult to assess our future viability.
- We have never generated revenue from product sales and may never be profitable.
- Even if this offering is successful, we will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.
- We are early in our development efforts. Our business is dependent on the successful development of our current and future product candidates. If we are unable to advance our current or future product candidates through clinical trials, obtain marketing approval and ultimately commercialize any product candidates we develop, or experience significant delays in doing so, our business will be materially harmed.

- If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise be adversely affected.
- We are dependent on our collaboration with Sanofi for the development of RMC-4630 and may depend on Sanofi for the development and commercialization of any other future SHP2 inhibitor product candidates. Under certain circumstances, Sanofi may unilaterally terminate the collaboration for convenience, which would materially and adversely affect our business.
- We intend to develop RMC-4630, and may develop other current and future product candidates, in combination with other therapies, which exposes us to additional risks.
- We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than the product candidates we develop, our commercial opportunities will be negatively impacted.
- If we and our collaborators are unable to obtain and maintain sufficient patent and other intellectual property protection for our product candidates and technology, our competitors could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market or successfully commercialize any product candidates we may develop.

### **Corporate information**

We were founded in October 2014 as a Delaware corporation. Our principal executive offices are located at 700 Saginaw Drive, Redwood City, California 94063, and our telephone number is (650) 481-6801.

Our website address is [www.revmed.com](http://www.revmed.com). The information on, or that can be accessed through, our website is not part of this prospectus and is not incorporated by reference herein. We have included our website address as an inactive textual reference only.

### **Implications of being an emerging growth company**

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year following the fifth anniversary of the consummation of this offering, (2) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.07 billion, (3) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded \$700.0 million as of the last business day of the second fiscal quarter of such year or (4) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- We will present in this prospectus only two years of audited annual financial statements, plus any required unaudited financial statements, and related management's discussion and analysis of financial condition and results of operations;
- We will avail ourselves of the exemption from the requirement to obtain an attestation and report from our independent registered public accounting firm on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;

- We will provide less extensive disclosure about our executive compensation arrangements; and
- We will not require stockholder non-binding advisory votes on executive compensation or golden parachute arrangements.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early.



stock, as well as any automatic increases in the number of shares of common stock reserved for future issuance under this plan; and

- shares of common stock reserved for issuance under our 20 Employee Stock Purchase Plan, which will become effective on the day prior to the first public trading date of our common stock, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan.

In addition, unless we specifically state otherwise, all information in this prospectus reflects and assumes the following:

- a -for- reverse stock split of our common stock and preferred stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
- the conversion of all shares of our outstanding preferred stock as of September 30, 2019 into an equivalent number of shares of common stock immediately upon the consummation of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately upon the consummation of this offering;
- no exercise of outstanding stock options subsequent to September 30, 2019; and
- no exercise of the underwriters' option to purchase additional shares of common stock.

Unless otherwise specified and unless the context otherwise requires, we refer to our Series A, Series B and Series C redeemable convertible preferred stock collectively as "preferred stock" in this prospectus. For financial reporting purposes and in the financial tables included in this prospectus, we refer to our Series A, Series B and Series C redeemable convertible preferred stock collectively as "redeemable convertible preferred stock," as more fully explained in Note 8 to our consolidated financial statements included in this prospectus.

## Summary consolidated financial data

The following tables present our summary consolidated financial data. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the captions "Selected consolidated financial data," "Unaudited pro forma condensed combined financial statements" and "Management's discussion and analysis of financial condition and results of operations."

We have derived the following consolidated summary statements of operations and comprehensive loss data for the years ended December 31, 2017 and 2018 (except for the pro forma net loss per share and the pro forma share information) from our audited consolidated financial statements and related notes appearing elsewhere in this prospectus. The summary consolidated statements of operations and comprehensive loss data for the nine months ended September 30, 2018 and 2019 and the summary consolidated balance sheet data as of September 30, 2019 are derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States and on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of September 30, 2019 and the results of operations for the nine months ended September 30, 2018 and 2019. Our historical results are not necessarily indicative of our future results and results for the nine months ended September 30, 2019 are not necessarily indicative of results to be expected for the full year.

	Year ended December 31,		Nine months ended September 30,	
	2017	2018	2018	2019
	(in thousands, except share and per share data)			
<b>Consolidated Statements of Operations Data:</b>				
Revenue:				
Collaboration revenue, related party	\$ —	\$ 19,420		
Collaboration revenue, other	—	745		
Total revenue	—	20,165		
Operating expenses:				
Research and development	26,586	51,084		
General and administrative	4,543	9,410		
Total operating expenses	31,129	60,494		
Loss from operations	(31,129)	(40,329)		
Other income (expense), net:				
Interest income	105	777		
Interest and other expense	(103)	(116)		
Change in fair value of redeemable convertible preferred stock liability	—	(2,121)		
Total other income (expense), net	2	(1,460)		
Net loss and comprehensive loss	\$ (31,127)	\$ (41,789)		
Redeemable convertible preferred stock dividends—undeclared and cumulative	(3,763)	(7,031)		
Net loss attributable to common stockholders	\$ (34,890)	\$ (48,820)		
Net loss per share attributable to common stockholders—basic and diluted(1)	\$ (4.16)	\$ (4.36)		
Weighted-average shares used to compute net loss per share attributable to common stockholders—basic and diluted(1)	8,386,173	11,186,287		
Pro forma net loss per share—basic and diluted(1)		\$ (0.35)		
Weighted-average shares used in computing pro forma net loss per share—basic and diluted(1)		112,714,741		

(1) For the calculation of our basic and diluted net loss per share attributable to common stockholders, basic and diluted pro forma net loss per share and weighted-average number of shares used in the computation of the per share amounts, see Note 12 to our consolidated financial statements included elsewhere in this prospectus.

	As of September 30, 2019		
	Actual	Pro forma	Pro forma as adjusted(1)
(in thousands)			
<b>Consolidated Balance Sheet Data:</b>			
Cash, cash equivalents and marketable securities	\$	\$	\$
Working capital(2)			
Total assets			
Redeemable convertible preferred stock			
Accumulated deficit			
Total stockholders' (deficit) equity			
<p>(1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover of this prospectus), would increase (decrease) the amount of each of cash, cash equivalents and marketable securities, working capital, total assets and total stockholders' equity by \$ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase (decrease) the number of shares we are offering. Each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the amount of each of cash, cash equivalents and marketable securities, working capital, total assets and total stockholders' equity by \$ million, assuming the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover of this prospectus), remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.</p> <p>(2) We define working capital as current assets less current liabilities.</p> <p>The preceding table presents our consolidated balance sheet data as of September 30, 2019:</p> <ul style="list-style-type: none"> <li>• on an actual basis;</li> <li>• on a pro forma basis to give effect to: (i) the conversion of all shares of our redeemable convertible preferred stock outstanding as of September 30, 2019 into an equivalent number of shares of our common stock, which will be effective upon the closing of this offering; and (ii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering; and</li> <li>• on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering at an assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.</li> </ul>			

## Risk factors

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes and "Management's discussion and analysis of financial condition and results of operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment.*

### **Risks related to our limited operating history, financial position and need for additional capital**

***We are a clinical-stage precision oncology company with a limited operating history and no products approved for commercial sale. We have incurred significant losses since inception. We expect to incur losses for at least the next several years and may never achieve or maintain profitability, which, together with our limited operating history, makes it difficult to assess our future viability.***

Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We are a clinical-stage precision oncology company, and we have only a limited operating history upon which you can evaluate our business and prospects. We currently have no products approved for commercial sale, have not generated any revenue from sales of products and have incurred losses in each year since our inception in October 2014. In addition, we have limited experience as a company and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical industry. Only one of our product candidates, RMC-4630, is currently in clinical development.

Since inception, we have incurred significant net losses. Our net losses were \$31.1 million for the year ended December 31, 2017 and \$41.8 million for the year ended December 31, 2018. As of December 31, 2018, we had an accumulated deficit of \$109.7 million. We have funded our operations to date primarily with proceeds from the sale of preferred stock and upfront payments and research and development cost reimbursement received under our collaboration agreement with Genzyme Corporation, an affiliate of Sanofi, or the Sanofi Agreement. To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, acquiring and discovering development programs, securing intellectual property rights and conducting discovery, research and development activities for our programs. We have not yet demonstrated our ability to successfully complete any clinical trials, including pivotal clinical trials, obtain marketing approvals, manufacture a commercial-scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Our product candidates will require substantial additional development time and resources before we will be able to apply for or receive regulatory approvals and, if approved, begin generating revenue from product sales. We expect to continue to incur significant expenses and operating losses for the foreseeable future.

***We have never generated revenue from product sales and may never be profitable.***

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with our collaboration partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, our development programs. We do not anticipate generating revenue from product sales for the next several years, if ever. Our ability to generate future revenue from product sales depends heavily on our, Sanofi's, and any potential future collaborators' success in:

- completing clinical and preclinical development of product candidates and programs and identifying and developing new product candidates;

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- seeking and obtaining marketing approvals for any product candidates that we develop;
- launching and commercializing product candidates for which we obtain marketing approval by establishing a sales force, marketing, medical affairs and distribution infrastructure or, alternatively, collaborating with a commercialization partner;
- achieving adequate coverage and reimbursement by third-party payors for product candidates that we develop;
- establishing and maintaining supply and manufacturing relationships with third parties that can provide adequate, in both amount and quality, products and services to support clinical development and the market demand for product candidates that we develop, if approved;
- obtaining market acceptance of product candidates that we develop as viable treatment options;
- addressing any competing technological and market developments;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations in such collaborations;
- maintaining, protecting, enforcing and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- defending against third-party interference, infringement or other intellectual property-related claims, if any; and
- attracting, hiring and retaining qualified personnel.

Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or the EMA, or other regulatory agencies to perform clinical trials or studies in addition to those that we currently anticipate. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

***Even if this offering is successful, we will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.***

Our operations have consumed substantial amounts of cash since inception. Since our inception, we have invested a significant portion of our efforts and financial resources in research and development activities for our initial preclinical and clinical product candidates. Preclinical studies and clinical trials and additional research and development activities will require substantial funds to complete. As of December 31, 2018, we had cash and cash equivalents of \$69.6 million. We expect to continue to spend substantial amounts to continue the preclinical and clinical development of our current and future programs. If we are able to gain marketing approval for product candidates that we develop, including RMC-4630, we will require significant additional amounts of cash in order to launch and commercialize such product candidates to the extent that such launch and commercialization are not the responsibility of Sanofi or another collaborator that we may contract with in the future. In addition, other unanticipated costs may arise. Because the design and outcome of our planned and anticipated clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any product candidate we develop.

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Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates and programs, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for product candidates we develop if clinical trials are successful;
- the success of our collaboration with Sanofi, including the continued reimbursement by Sanofi of substantially all of our research costs and all of our development costs for the SHP2 program under the Sanofi Agreement;
- whether we achieve certain clinical and regulatory milestones under the Sanofi Agreement, each of which would trigger additional payments to us;
- the cost of commercialization activities for RMC-4630, to the extent not borne by Sanofi, and any other future product candidates we develop, whether alone or in collaboration, including marketing, sales and distribution costs if RMC-4630 or any other product candidate we develop is approved for sale;
- the cost of manufacturing our current and future product candidates for clinical trials in preparation for marketing approval and in preparation for commercialization;
- our ability to establish and maintain strategic licenses or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, profit share or royalties on, our future products, if any;
- the emergence of competing cancer therapies and other adverse market developments; and
- any plans to acquire or in-license other programs or technologies.

Other than our Sanofi collaboration on SHP2 inhibitors, including RMC-4630, we do not have any committed external source of funds or other support for our development efforts. We expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Based on our research and development plans, we expect that the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, will enable us to fund our operations for at least 12 months following the date of this offering.

Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to:

- delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities or eliminate one or more of our development programs altogether; or
- delay, limit, reduce or terminate our efforts to establish manufacturing and sales and marketing capabilities or other activities that may be necessary to commercialize any future approved products, or reduce our flexibility in developing or maintaining our sales and marketing strategy.

***Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies.***

To date, we have primarily financed our operations through the sale of preferred stock and upfront payments and research and development cost reimbursement received in connection with our collaboration with Sanofi. We will be required to seek additional funding in the future and currently intend to do so through collaborations, public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these funding sources. If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our product candidates, technologies, future revenue streams or research programs or grant licenses on terms that may not be favorable to us. If we raise additional funds by issuing equity securities, our stockholders may suffer dilution and the terms of any financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets. Attempting to secure additional financing may also divert our management from our day-to-day activities, which may adversely affect our ability to develop our product candidates.

***Our operating results may fluctuate significantly, which will make our future results difficult to predict and could cause our results to fall below expectations.***

Our quarterly and annual operating results may fluctuate significantly, which will make it difficult for us to predict our future results. These fluctuations may occur due to a variety of factors, many of which are outside of our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in, research, development and commercialization activities, which may change from time to time;
- the timing and status of enrollment for our clinical trials;
- the timing of regulatory approvals, if any, in the United States and internationally;
- the timing of expanding our operational, financial and management systems and personnel, including personnel to support our clinical development, quality control, manufacturing and commercialization efforts and our operations as a public company;
- the cost of manufacturing, as well as building out our supply chain, which may vary depending on the quantity of productions, and the terms of any agreements we enter into with third-party suppliers;
- timing and amount of any milestone, royalty or other payments due under any current or future collaboration or license agreement, including the Sanofi Agreement;
- coverage and reimbursement policies with respect to any future approved products, and potential future drugs that compete with our products;
- the timing and cost to establish a sales, marketing, medical affairs and distribution infrastructure to commercialize any products for which we may obtain marketing approval and intend to commercialize on our own or jointly with Sanofi;
- expenditures that we may incur to acquire, develop or commercialize additional products and technologies;

- the level of demand for any future approved products, which may vary significantly over time;
- future accounting pronouncements or changes in our accounting policies; and
- the timing and success or failure of preclinical studies and clinical trials for our product candidates or competing product candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or collaboration partners.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide.

## **Risks related to product development and regulatory process**

***We are early in our development efforts. Our business is dependent on the successful development of our current and future product candidates. If we are unable to advance our current or future product candidates through clinical trials, obtain marketing approval and ultimately commercialize any product candidates we develop, or experience significant delays in doing so, our business will be materially harmed.***

We are early in our development efforts, and we have only recently initiated our first clinical trials for our most advanced product candidate, RMC-4630. Our other programs are in the preclinical stage. We have invested substantially all of our efforts and financial resources in the identification of targets and preclinical development of small molecules to treat cancer.

The success of our business, including our ability to finance our company and generate revenue from products in the future, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of the product candidates we develop, which may never occur. Our current product candidates, and any future product candidates we develop, will require additional preclinical and clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other markets, demonstrating effectiveness to pricing and reimbursement authorities, obtaining sufficient manufacturing supply for both clinical development and commercial production, building of a commercial organization, and substantial investment and significant marketing efforts before we generate any revenues from product sales.

We have not previously submitted a new drug application, or NDA, to the FDA or similar approval filings to a comparable foreign regulatory authority, for any product candidate. An NDA or other relevant regulatory filing must include extensive preclinical and clinical data and supporting information to establish that the product candidate is safe and effective for each desired indication. The NDA or other relevant regulatory filing must also include significant information regarding the chemistry, manufacturing and controls for the product. We cannot be certain that our current or future product candidates will be successful in clinical trials or receive regulatory approval. Further, even if they are successful in clinical trials, our product candidates or any future product candidates may not receive regulatory approval. If we do not receive regulatory approvals for current or future product candidates, we may not be able to continue our operations. Even if we successfully obtain regulatory approval to market a product candidate, our revenue will depend, in part, upon the size of the markets in the

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territories for which we gain regulatory approval and have commercial rights, as well as the availability of competitive products, whether there is sufficient third-party reimbursement and adoption by physicians.

We plan to seek regulatory approval to commercialize our product candidates both in the United States and in select foreign countries. While the scope of regulatory approval generally is similar in other countries, in order to obtain separate regulatory approval in other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy. Other countries also have their own regulations governing, among other things, clinical trials and commercial sales, as well as pricing and distribution of drugs, and we may be required to expend significant resources to obtain regulatory approval and to comply with ongoing regulations in these jurisdictions.

The success of our current and future product candidates will depend on several factors, including the following:

- successful completion of clinical trials and preclinical studies;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of investigational new drug applications, or INDs, for our planned clinical trials or future clinical trials;
- successful enrollment and completion of clinical trials, particularly where competitors may also be recruiting patients with KRAS<sup>G12C</sup> mutations;
- successful data from our clinical program that supports an acceptable risk-benefit profile of our product candidates in the intended populations;
- receipt and maintenance of marketing approvals from applicable regulatory authorities;
- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our product candidate is approved;
- entry into collaborations to further the development of our product candidates;
- obtaining and maintaining our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- enforcing and defending intellectual property rights and claims;
- obtaining and maintaining regulatory exclusivity for our product candidates;
- successfully launching commercial sales of our product candidates, if approved;
- acceptance of the product candidate's benefits and uses, if approved, by patients, the medical community and third-party payors;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our product candidates following approval;
- effectively competing with other therapies; and
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors.

If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize the product candidates we develop, which would materially harm our business. If we do not receive marketing approvals for RMC-4630, or any other product candidate we develop, we may not be able to continue our operations.

***Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize our product candidates on a timely basis or at all, which would have an adverse effect on our business.***

In order to obtain FDA approval to market a new small molecule product we must demonstrate proof of safety and efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical studies that support our planned INDs in the United States. We only have one product candidate in clinical development and the rest of our programs are in preclinical research or development, including our RAS portfolio and RMC-5552 product candidate. We cannot be certain of the timely completion or outcome of our preclinical studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical studies will ultimately support further development of our programs. As a result, we cannot be sure that we will be able to submit INDs or similar applications on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing additional clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are directly conducting preclinical studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the studies of certain programs that are the responsibility of Sanofi or our potential future partners over which we have no control. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including, for example:

- inability to generate sufficient preclinical or other *in vivo* or *in vitro* data to support the initiation of clinical studies;
- delays in reaching a consensus with regulatory agencies on study design and obtaining regulatory authorization to commence clinical trials; and
- obtaining sufficient quantities of our product candidates for use in preclinical studies and clinical trials from third-party suppliers on a timely basis.

Moreover, even if clinical trials do begin for our preclinical programs, our development efforts may not be successful, and clinical trials that we conduct or that third parties conduct on our behalf may not demonstrate sufficient safety or efficacy to obtain the requisite regulatory approvals for any product candidates we develop. Even if we obtain positive results from preclinical studies or initial clinical trials, we may not achieve the same success in future trials.

***The regulatory approval processes of the FDA, the EMA and comparable foreign authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.***

The time required to obtain approval by the FDA, the EMA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies,

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regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our current or future product candidates will ever obtain regulatory approval.

Our current and future product candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA, the EMA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA, the EMA or comparable foreign regulatory authorities that a product candidate is safe or effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA, the EMA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA, the EMA or comparable foreign regulatory authorities may disagree with our interpretation of data from clinical trials or preclinical studies;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of an NDA to the FDA or other submission or to obtain regulatory approval in the United States, the European Union or elsewhere;
- the FDA, the EMA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA, the EMA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain regulatory approval to market any product candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA, the EMA and other comparable foreign authorities have substantial discretion in the approval process, and determining when or whether regulatory approval will be obtained for any product candidate that we develop. Even if we believe the data collected from future clinical trials of our product candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA or any other regulatory authority.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our products, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

Further, we have not previously submitted a NDA to the FDA, or a Marketing Authorization Application, or MAA, to the EMA. We cannot be certain that any of our programs will be successful in clinical trials or receive regulatory approval. Further, product candidates we develop may not receive regulatory approval even if they are successful in clinical trials. If we do not receive regulatory approvals for our product candidates, we may not be able to continue our operations.

***Clinical product development involves a lengthy and expensive process, with uncertain outcomes. We may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current and future product candidates.***

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our products are safe or effective in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful.

We may experience delays in completing our clinical trials or preclinical studies and initiating or completing additional clinical trials. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- regulators or Institutional Review Boards, or IRBs, or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs;
- the number of patients required for clinical trials may be larger than we anticipate;
- it may be difficult to enroll a sufficient number of patients with mutations in the signaling pathways our therapies are designed to target, or enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators;
- the supply or quality of materials for product candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate; and
- our collaborators may delay the development process by waiting to take action or focusing on other priorities.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs or ethics committees of the institutions in which such trials are being conducted, by the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials

will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do or shorten any periods during which we have the exclusive right to commercialize our product candidates and impair our ability to commercialize our product candidates and may harm our business and results of operations.

In addition, based on our own preclinical data and supported by observations by others, we are evaluating intermittent dosing schedules in our clinical program to allow us to maximize dose intensity and the depth of response. When dosed in clinical trials, this intermittent dosing approach may reduce patient compliance.

Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates or result in the development of our product candidates being stopped early.

***Historically, direct inhibition of any RAS protein itself has been challenging due to a lack of tractable, or “druggable,” binding pockets and we are not aware of any programs in clinical development that have successfully targeted any RAS(ON) protein. Given this approach is unproven, it may not be successful.***

Historically, direct inhibition of any RAS protein has been challenging due to a lack of tractable, or “druggable,” binding pockets. Our tri-complex technology has enabled us to develop what we believe to be the first potent, selective cell-active inhibitors of multiple mutant RAS(ON) proteins. We are not aware of any programs in clinical development that have successfully targeted any RAS(ON) protein. We cannot be certain that our approach will lead to the development of approvable or marketable products, alone or in combination with other therapies.

***The results of preclinical studies and early-stage clinical trials may not be predictive of future results.***

The results of preclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through preclinical studies and initial clinical trials. There can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our product candidates. There is a high failure rate for drugs proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval of any products. Any such setbacks in our clinical development could have a material adverse effect on our business and operating results.

***Interim, “topline” and preliminary data from our clinical trials may differ materially from the final data.***

From time to time, we may disclose interim data from our clinical trials. Interim data from clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more data on existing patients become available. Adverse differences between interim data and final data could significantly harm our business, financial condition, results of operations and prospects. From time to time, we may also publicly disclose preliminary or “topline” data from our clinical trials, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline results that we report may differ from future results of the same clinical trials, or different conclusions or

considerations may qualify such topline results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and the value of our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically a summary of extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, product candidate or our business. If the topline data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, financial condition, operating results and prospects.

***If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise be adversely affected.***

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- our ability to enroll a sufficient number of patients with mutations in the signaling pathways our therapies are designed to target;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to study sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents for participation in our clinical trials and, where appropriate, biopsies for future patient enrichment efforts; and
- the risk that patients enrolled in clinical trials will not remain on the trial through the completion of evaluation.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas (and that seek to evaluate patients with cancer cells having the same mutations, particularly with patients having KRAS<sup>G12C</sup> mutations) as our current and potential future product candidates. This competition will reduce the number and types of patients available to us, because some patients who might

have opted to enroll in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such sites. Moreover, because our current and potential future product candidates may represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy, rather than enroll patients in our ongoing or any future clinical trial.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of the product candidates we develop.

***Our current or future product candidates may cause undesirable side effects or have other properties when used alone or in combination with other approved products or investigational new drugs that could delay or halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.***

Undesirable or clinically unmanageable side effects could occur and cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities. Results of our trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics.

If unacceptable toxicities or other undesirable side effects arise in the development of any of our current or future product candidates, we or our collaborators could suspend or terminate our trials, or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of the product candidate for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled subjects to complete the trial, or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. Inadequately recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may prevent us from achieving or maintaining market acceptance of the affected product candidate and may harm our business, financial condition and prospects significantly.

Although our current and future product candidates will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Unforeseen side effects could arise either during clinical development or, if such side effects are more rare, after our products have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. So far, we have not previously demonstrated that RMC-4630 or any other product candidate is safe in humans, and we cannot predict if ongoing or future clinical trials will do so.

Furthermore, certain of our product candidates, such as RMC-4630, may be co-administered with approved or experimental therapies. These combinations may have additional side effects. The uncertainty resulting from the use of our product candidates in combination with other therapies may make it difficult to accurately predict side effects in future clinical trials.

If any of our product candidates receives marketing approval and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the product;

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- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we may be required to implement a Risk Evaluation and Mitigation Strategy, or REMS, or create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and result in the loss of significant revenues to us, which would adversely affect our business, financial condition, results of operations and prospects. In addition, if one or more of our product candidates prove to be unsafe, our entire technology platform and pipeline could be affected, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

***Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us or any of our existing or future collaboration partners from obtaining approvals for the commercialization of RMC-4630 and any other product candidate we develop.***

Any current or future product candidate we may develop and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory authorities in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate in a given jurisdiction. We have not received approval to market any product candidates from regulatory authorities in any jurisdiction and it is possible that none of our current or future product candidates will ever obtain regulatory approval. We have no experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the product candidate’s safety and efficacy. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Any product candidates we develop may not be effective, may be only moderately effective, or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity, and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may

decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit, or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining approval or if we fail to obtain approval of any current or future product candidates we may develop, the commercial prospects for those product candidates may be harmed, and our ability to generate revenues will be materially impaired.

***Obtaining and maintaining marketing approval of our current and future product candidates in one jurisdiction does not mean that we will be successful in obtaining marketing approval of our current and future product candidates in other jurisdictions.***

Obtaining and maintaining marketing approval of our current and future product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain marketing approval in any other jurisdiction, while a failure or delay in obtaining marketing approval in one jurisdiction may have a negative effect on the marketing approval process in others. For example, even if the FDA grants marketing approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical studies conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign marketing approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

***Adverse events in the field of oncology could damage public perception of our current or future product candidates and negatively affect our business.***

The commercial success of our products will depend in part on public acceptance of the use of targeted cancer therapies. While a number of targeted cancer therapies have received regulatory approval and are being commercialized, our approach to targeting cancer cells carrying tumor causing mutations, including oncogenic RAS(ON) pathway mutations, is novel and unproven. Adverse events in clinical trials of our product candidates, or post-marketing activities, or in clinical trials of others developing similar products and the resulting publicity, as well as any other adverse events in the field of oncology that may occur in the future, could result in a decrease in demand for any product that we may develop. If public perception is influenced by claims that the use of cancer therapies is unsafe, whether related to our therapies or those of our competitors, our products may not be accepted by the general public or the medical community.

Future adverse events in oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our

products. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for the product candidates we develop.

***Even if we receive marketing approval of a product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products, if approved.***

Any marketing approvals that we receive for any current or future product candidate may be subject to limitations on the approved indicated uses for which the product may be marketed or the conditions of approval, or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require REMS as a condition of approval of any product candidate, which could include requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves a product candidate, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import and export and record keeping for the product candidate will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current Good Manufacturing Practice, or cGMP, and Good Clinical Practice, or GCP, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with any approved candidate, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or product recalls;
- fines, untitled and warning letters, or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications we filed or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of the product; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of a product. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve or sustain profitability.

***Even if a current or future product candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.***

If any current or future product candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current approved immunotherapies, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. If the product candidates we

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develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of any product candidate, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy;
- adoption of a companion diagnostic and/or complementary diagnostic (if any); and
- the prevalence and severity of any side effects.

***The market opportunities for any current or future product candidate we develop, if and when approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.***

Cancer therapies are sometimes characterized as first-line, second-line, or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiation therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. We expect to initially seek approval of RMC-4630 and any other product candidates we develop as a therapy for patients who have received one or more prior treatments. Subsequently, for those products that prove to be sufficiently beneficial, if any, we would expect to seek approval potentially as a first-line therapy, but there is no guarantee that product candidates we develop, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

The number of patients who have the cancers we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current programs or future product candidates may be limited, if and when approved. Even if we obtain significant market share for any product candidate, if and when approved, if the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first- or second-line therapy.

***We intend to develop RMC-4630, and may develop other current and future product candidates, in combination with other therapies, which exposes us to additional risks.***

We intend to develop RMC-4630, and may develop other current and future product candidates, in combination with one or more currently approved cancer therapies. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risks that the FDA or similar regulatory authorities outside of the United States could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. Combination therapies are

commonly used for the treatment of cancer, and we would be subject to similar risks if we develop any of our product candidates for use in combination with other drugs or for indications other than cancer. This could result in our own products being removed from the market or being less successful commercially.

We may also evaluate RMC-4630 or any other current or future product candidates in combination with one or more other cancer therapies that have not yet been approved for marketing by the FDA or similar regulatory authorities outside of the United States. We will not be able to market and sell RMC-4630 or any product candidate we develop in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If the FDA or similar regulatory authorities outside of the United States do not approve these other drugs or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, the drugs we choose to evaluate in combination with or any product candidate we develop, we may be unable to obtain approval of or market or any product candidate we develop.

In addition, Sanofi primarily controls the research and development activities of our SHP2 inhibitors, including RMC-4630, pursuant to the terms of the Sanofi Agreement, and may disagree with us regarding which other therapies should be evaluated in combination with RMC-4630. As a result of this disagreement, our completion of a trial in combination with our preferred combination product candidate may be delayed or prevented. We rely on Sanofi for the supply of RMC-4630 for future combination studies and if Sanofi is unwilling to supply RMC-4630 to be used in combination with a product candidate from our pipeline, our ability to complete a trial evaluating such combination may be delayed or prevented.

***We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than the product candidates we develop, our commercial opportunities will be negatively impacted.***

The life sciences industry is highly competitive. We are currently developing therapies that will compete, if approved, with other products and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or marketing approval or discovering, developing and commercializing products in our field before we do.

There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. These treatments consist of small molecule drug products, biologics, cell-based therapies and traditional chemotherapy. There are also several programs in development targeting SHP2, including those clinical programs run by Novartis AG and Jacobio Pharmaceuticals Co. Ltd. There are several RAS pathway mutations programs, including those directed at KRAS<sup>G12C</sup>(OFF) and

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KRAS<sup>G12D</sup>(OFF) mutations, including clinical programs directed at KRAS<sup>G12C</sup>(OFF) being conducted by Amgen Inc., Mirati Therapeutics, Inc. and Johnson & Johnson. Other clinical programs directed at mutant RAS are being conducted by Merck & Co./Moderna Therapeutics and Gilead Sciences, Inc.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain FDA, EMA or other marketing approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. Even if the product candidate we develop achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness.

Smaller and other early stage companies may also prove to be significant competitors. In addition, academic research departments and public and private research institutions may be conducting research on compounds that could prove to be competitive. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our product candidates obsolete, less competitive or not economical.

***Even if we are able to commercialize any product candidates, such products may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.***

The regulations that govern marketing approvals, pricing and reimbursement for new products vary widely from country to country. Some countries require approval of the sale price of a product before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the product candidate, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the product candidate in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain marketing approval.

Our ability to commercialize any product candidates, whether as a single agent or combination therapy, successfully also will depend in part on the extent to which coverage and reimbursement for these product candidates and related treatments will be available from government authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. It is difficult to predict at this time what government authorities and third-party payors will decide with respect to coverage and reimbursement for our programs.

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular products and requiring substitutions of generic products and/or biosimilars. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. We cannot be sure that coverage will be available for any product candidate that we commercialize and, if coverage is available, the level of reimbursement. These third-party payors are also examining the cost-effectiveness of drugs in addition to their safety and efficacy.

Reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, as the process is time-consuming and costly, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Additionally, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States, which may result in coverage and reimbursement for drug products that can differ significantly from payor to payor. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

***We may fail to select or capitalize on the most scientifically, clinically and commercially promising or profitable mutant RAS(ON) target.***

We have limited technical, managerial and financial resources to determine which of our lead generation stage RAS(ON) inhibitors should be advanced into further preclinical development, initial clinical trials, later-stage clinical development and potential commercialization. Initially, we are prioritizing four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. In selecting a development candidate, we may make incorrect determinations. Our decisions to allocate our research and development, management and financial resources toward particular development candidates or therapeutic areas may not lead to the development of viable commercial products and may divert resources from better opportunities. Similarly, our decisions to delay or terminate development programs may also be incorrect and could cause us to miss valuable opportunities.

***We may not be successful in our efforts to identify or discover other product candidates and may fail to capitalize on programs or product candidates that may present a greater commercial opportunity or for which there is a greater likelihood of success.***

The success of our business depends upon our ability to identify, develop and commercialize product candidates. If we do not successfully develop and eventually commercialize products, we will face difficulty in obtaining product revenue in future periods, resulting in significant harm to our financial position and adversely affecting our share price. Research programs to identify new product candidates require substantial technical, financial and human resources, and we may fail to identify potential product candidates for numerous reasons.

Additionally, because we have limited resources beyond those provided by Sanofi on SHP2 and RMC-4630, we may forego or delay pursuit of opportunities with certain programs or product candidates or for indications that later prove to have greater commercial potential. For example, we currently intend to focus on the

development of RMC-4630. However, the advancement of this product candidate may ultimately prove to be unsuccessful or less successful than another program in our pipeline that we might have chosen to pursue on a less aggressive basis. Our estimates regarding the potential market for our product candidates could be inaccurate, and our spending on current and future research and development programs may not yield any commercially viable products. If we do not accurately evaluate the commercial potential for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. For example, we licensed worldwide development and commercialization rights with respect to RMC-4630 to Sanofi and will receive only milestone payments, an equal share of profits and losses in the United States and royalties on annual net sales of each product outside the United States. Alternatively, we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon or delay our development efforts with respect to a particular product candidate or fail to develop a potentially successful product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

***We may need to use existing commercial diagnostic tests or develop, or enter into a collaboration or partnership to develop, novel complementary diagnostics and/or novel companion diagnostics for some of our current or future product candidates. If we or our future partners are unable to successfully develop such companion diagnostics or complementary diagnostics, or experience significant delays in doing so, we may not realize the full commercial potential of our future product candidates.***

As one of the key elements of our product development strategy, we seek to identify cancer patient populations that may derive meaningful benefit from our current or future product candidates. Because predictive biomarkers may be used to identify the right patients for our programs and our current or future product candidates, we believe that our success may depend, in part, on our ability to use existing diagnostic tests (such as Foundation Medicine's FoundationOne® CDX), or develop novel complementary diagnostics and/or novel companion diagnostics in collaboration with partners.

In the event that novel tests will need to be developed, we have little experience in the development of diagnostics. As such, we expect to rely on future partners in developing appropriate diagnostics to pair with our current or future product candidates. We have not yet begun discussions with any potential partners with respect to the development of complementary diagnostics and/or companion diagnostics and may be unsuccessful in entering into collaborations for the development of companion diagnostics for our programs and our current or future product candidates.

Complementary diagnostics and/or companion diagnostics are subject to regulation by the FDA and similar regulatory authorities outside the United States as medical devices and require separate regulatory approval or clearance prior to commercialization. If we, our partners, or any third parties that we engage to assist us, are unable to successfully develop complementary diagnostics and/or companion diagnostics for our product candidates and any future product candidates, or experience delays in doing so:

- the development of our product candidates and any other future product candidates may be adversely affected if we are unable to appropriately select patients for enrollment in our clinical trials; and
- we may not realize the full commercial potential of our product candidates and any other future product candidates that receive marketing approval if, among other reasons, we are unable to appropriately identify, or it takes us longer to identify, patients who are likely to benefit from therapy with our products, if approved.

If any of these events were to occur, our business would be harmed, possibly materially.

***We may seek and fail to obtain fast track or breakthrough therapy designations for our current or future product candidates. If we are successful, these programs may not lead to a faster development or regulatory review process, and they do not guarantee we will receive approval for any product candidate. We may also seek to obtain accelerated approval for one or more of our product candidates but the FDA may disagree that we have met the requirements for such approval.***

If a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for fast track designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may rescind the fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

We may also seek breakthrough therapy designation for any product candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Like fast track designation, breakthrough therapy designation is within the discretion of the FDA. Accordingly, even if we believe a product candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of breakthrough therapy designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if a product candidate we develop qualifies as a breakthrough therapy, the FDA may later decide that the drug no longer meets the conditions for qualification and rescind the designation.

Drugs designated as fast track products or breakthrough therapies by the FDA are also eligible for accelerated approval if the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA requires pre-approval of promotional materials for accelerated approval products, once approved. We cannot guarantee that the FDA will agree any of our product candidates has met the criteria to receive accelerated approval, which would require us to conduct additional clinical testing prior to seeking FDA approval. Even if any of our product candidates received approval through this pathway, the product may fail required post-approval confirmatory clinical trials, and we may be required to remove the product from the market or amend the product label in a way that adversely impacts its marketing.

***We may seek Orphan Drug Designation for product candidates we develop, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.***

As part of our business strategy, we may seek Orphan Drug Designation for any product candidates we develop, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and

Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly, in Europe, the European Commission grants Orphan Drug Designation after receiving the opinion of the EMA Committee for Orphan Medicinal Products on an Orphan Drug Designation application. Orphan Drug Designation is intended to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable such that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product candidate from competition because different therapies can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process. While we may seek Orphan Drug Designation for applicable indications for our current and any future product candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

***If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of any approved products.***

We face an inherent risk of product liability as a result of the clinical testing of product candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any product candidate we develop causes or is perceived to cause injury or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in

manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of any approved products. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any approved product;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any product candidate; and
- a decline in our share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop, alone or with collaboration partners.

Insurance coverage is increasingly expensive. We may not be able to maintain insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise, if at all. Our insurance policy contains various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with Sanofi or any future collaborator entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

***Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.***

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Affordable Care Act, or the ACA, was passed, which substantially changes the way healthcare is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things, increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs, and creates a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Some of the provisions of the ACA have yet to be fully implemented, while certain provisions have been subject to judicial and Congressional challenges, as well as efforts by the Trump administration to repeal or replace certain aspects of the ACA. Since January 2017, President Trump has signed two Executive Orders designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017, or TCJA, includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." Additionally, on January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share, and the medical device excise tax on non-exempt medical devices. Further, the Bipartisan Budget Act of 2018, or the BBA, among other things, amends the ACA, effective January 1, 2019, to reduce the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." On December 14, 2018, a Texas U.S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress as part of the Tax Cuts and Jobs Act of 2017. While the Texas U.S. District Court Judge, as well as the Trump administration and Centers for Medicare and Medicaid Services, or CMS, have stated that the ruling will have no immediate effect pending appeal of the decision, it is unclear how this decision, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA and our business. The effect that the ACA and its possible repeal and replacement may have on our business remains unclear.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2027 unless additional congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for any product candidate we develop or complementary diagnostics or companion diagnostics or additional pricing pressures.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs.

***We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations. We can face serious consequences for violations.***

Among other matters, U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, which are collectively referred to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors, and

other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations. We also expect our non-U.S. activities to increase in time. We plan to engage third parties for clinical trials and/or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals and we can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

### **Risks related to reliance on third parties**

***We are dependent on our collaboration with Sanofi for the development of RMC-4630 and may depend on Sanofi for the development and commercialization of any other future SHP2 inhibitor product candidates. Under certain circumstances, Sanofi may unilaterally terminate the collaboration for convenience, which would materially and adversely affect our business.***

In June 2018, we entered into a collaborative research, development and commercialization agreement with Sanofi, or the Sanofi Agreement, focused on researching, developing and commercializing SHP2 inhibitors as cancer therapies and potentially other indications. Sanofi primarily controls the research and development activities pursuant to the terms of the Sanofi Agreement, and our lack of control over such activities, including with respect to RMC-4630, could result in delays or other difficulties in the development and commercialization of product candidates, which may prevent completion of intended NDA filings in a timely fashion, if at all. Because of the allocation of responsibilities under the Sanofi Agreement, we are wholly dependent on Sanofi for the success of the RMC-4630 program. Any dispute with Sanofi may result in the delay or termination of the research, development or commercialization of RMC-4630 or other SHP2 inhibitor product candidates, and may result in costly litigation that diverts management attention and resources away from our day-to-day activities, which may adversely affect our business, financial condition, results of operation and prospects. For example, we plan to evaluate RMC-4630 in combination with other therapies (which may include product candidates from our pipeline), and Sanofi may disagree with us regarding which other therapies should be evaluated in combination with RMC-4630. As a result of this disagreement, our completion of a trial in combination with our preferred combination product candidate may be delayed or prevented. We rely on Sanofi for the supply of RMC-4630 for future combination studies and if Sanofi is unwilling to supply RMC-4630 to be used in combination with a product candidate from our pipeline, our ability to complete a trial evaluating such combination may be delayed or prevented.

In addition, Sanofi can terminate the Sanofi Agreement (including for convenience), and in the event Sanofi terminates the Sanofi Agreement, we would be prevented from receiving any research and development funding, milestone payments, profit share payments, royalty payments and other benefits under that agreement. Termination of the Sanofi Agreement could require us to seek additional funding in order to avoid delaying, reducing the scope of, or suspending, one or more of our research and development programs or clinical trials. In addition, any decision by Sanofi to terminate the Sanofi Agreement may negatively impact public perception of RMC-4630, or all of the SHP2 program covered by the Sanofi Agreement, which could adversely affect the market price of our common stock. We cannot provide any assurance with respect to the success of the Sanofi collaboration. Any of the foregoing events could have a materially adverse effect on our business, financial condition, results of operation and prospects. For more information regarding the Sanofi Agreement, see "Business—Collaboration agreement with Sanofi."

***In addition to our collaboration with Sanofi, we may depend on collaborations with other third parties for the development and commercialization of our product candidates in the future. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.***

In the future, we may form or seek other strategic alliances, joint ventures, or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to product candidates we develop.

Collaborations involving our current and future product candidates, including our current collaboration with Sanofi, may pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;
- a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
- collaborators may not properly prosecute, maintain, enforce or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation, or other intellectual property proceedings;
- collaborators may own or co-own intellectual property covering products that result from our collaboration with them, and in such cases, we may not have the exclusive right to develop, license or commercialize such intellectual property;
- disputes may arise with respect to ownership of any intellectual property developed pursuant to our collaborations;
- disputes may arise between a collaborator and us that cause the delay or termination of the research, development or commercialization of the product candidate, or that result in costly litigation or arbitration that diverts management attention and resources; and
- if a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated.

As a result, if we enter into additional collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new collaborations or strategic partnership agreements related to any product candidate we develop could delay the development and commercialization of our product candidates, which would harm our business prospects, financial condition, and results of operations.

***We may seek to establish additional collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.***

The advancement of our product candidates and development programs and the potential commercialization of our current and future product candidates will require substantial additional cash to fund expenses. For some of our programs, we may decide to collaborate with additional pharmaceutical and biotechnology companies with respect to development and potential commercialization. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for other collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view them as having the requisite potential to demonstrate safety and efficacy.

We may also be restricted under existing collaboration agreements from entering into future agreements on certain terms with potential collaborators. For example, under the Sanofi Agreement, we have granted worldwide exclusive rights under our intellectual property to Sanofi for SHP2 inhibitors, and during the term of the agreement we will be restricted from granting similar rights to other parties. This exclusivity could limit our ability to enter into collaborations with future collaborators.

In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

***If conflicts arise between us and our collaborators or strategic partners, these parties may act in a manner adverse to us and could limit our ability to implement our strategies.***

If conflicts arise between our corporate or academic collaborators or strategic partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. Sanofi or future collaborators or strategic partners may develop, either alone or with others, products in related fields that are

competitive with the products or potential products that are the subject of these collaborations. Competing products, either developed by the collaborators or strategic partners or to which the collaborators or strategic partners have rights, may result in the withdrawal of partner support for our product candidates. Our current or future collaborators or strategic partners may preclude us from entering into collaborations with their competitors, fail to obtain timely regulatory approvals, terminate their agreements with us prematurely, or fail to devote sufficient resources to the development and commercialization of products. Any of these developments could harm our product development efforts.

***We will rely on third parties to conduct our planned clinical trials for RMC-4630 and any other product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize RMC-4630 and any other product candidates we develop and our business could be substantially harmed.***

We do not have the ability to independently conduct clinical trials. We will rely on medical institutions, clinical investigators, contract laboratories, and other third parties, such as CROs, to conduct or otherwise support clinical trials for RMC-4630 and other product candidates. We will rely heavily on these parties for execution of clinical trials for RMC-4630 and other product candidates and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs are required to comply with regulations and requirements, including GCP, for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the Competent Authorities of the Member States of the EEA and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GCP requirements through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any of our future clinical trials will comply with GCP. In addition, our clinical trials must be conducted with product candidates produced under cGMP regulations. Our failure or the failure of our CROs to comply with these regulations may require us to repeat clinical trials, which would delay the marketing approval process and could also subject us to enforcement action. We also are required to register certain ongoing clinical trials and provide certain information, including information relating to the trial's protocol, on a government-sponsored database, ClinicalTrials.gov, within specific timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design the clinical trials for our product candidates, CROs will conduct all of the clinical trials. As a result, many important aspects of our clinical development, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;

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- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control. If the CROs do not perform clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, marketing approval and commercialization of our product candidates may be delayed, we may not be able to obtain marketing approval and commercialize our product candidates, or our development program may be materially and irreversibly harmed. If we are unable to rely on clinical data collected by our CROs, we could be required to repeat, extend the duration of, or increase the size of any clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain are compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our product candidates. As a result, we believe that our financial results and the commercial prospects for our product candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

***We rely on third parties to manufacture preclinical and clinical drug supplies, and we intend to rely on third parties to produce commercial supplies of any approved product which increases the risk that we will not have sufficient quantities of such product candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.***

We do not own or operate manufacturing facilities for the production of preclinical, clinical or commercial supplies of the product candidates that we are developing or evaluating in our development programs. We have limited personnel with experience in drug manufacturing and lack the resources and the capabilities to manufacture any of our product candidates on a preclinical, clinical or commercial scale. We rely on third parties for supply of our preclinical and clinical drug supplies (including key starting and intermediate materials), and our strategy is to outsource all manufacturing of our product candidates and products to third parties, including Sanofi.

In order to conduct clinical trials of product candidates, we will need to have them manufactured in potentially large quantities. Our third-party manufacturers may be unable to successfully increase the manufacturing capacity for any of our clinical drug supplies (including key starting and intermediate materials) in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities and at any other time. For example, ongoing data on the stability of our product candidates may shorten the expiry of our product candidates and lead to clinical trial material supply shortages, and potentially clinical trial delays. If these third-party manufacturers are unable to successfully scale up the manufacture of our product candidates in sufficient quality and quantity, the development, testing and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of that product candidate may be delayed or not obtained, which could significantly harm our business.

Our use of new third-party manufacturers increases the risk of delays in production or insufficient supplies of our product candidates (and the key starting and intermediate materials for such product candidates) as we

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transfer our manufacturing technology to these manufacturers and as they gain experience manufacturing our product candidates (and the key starting and intermediate materials for such product candidates).

Even after a third-party manufacturer has gained significant experience in manufacturing our product candidates (or the key starting and intermediate materials for such product candidates) or even if we believe we have succeeded in optimizing the manufacturing process, there can be no assurance that such manufacturer will produce sufficient quantities of our product candidates (or the key starting and intermediate materials for such product candidates) in a timely manner or continuously over time, or at all.

We may be delayed if we need to change the manufacturing process used by a third party. Further, if we change an approved manufacturing process, then we may be delayed if the FDA or a comparable foreign authority needs to review the new manufacturing process before it may be used.

We do not currently have any agreements with third-party manufacturers for long-term commercial supply. In the future, we may be unable to enter into agreements with third-party manufacturers for commercial supplies of any product candidate that we develop, or may be unable to do so on acceptable terms. Even if we are able to establish and maintain arrangements with third-party manufacturers, reliance on third-party manufacturers entails risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or non-renewal of the agreement by the third party at a time that is costly or inconvenient for us.

Third-party manufacturers may not be able to comply with cGMP requirements or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable requirements could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and/or criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates.

Our future product candidates and any products that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP requirements particularly for the development of monoclonal antibodies, and that might be capable of manufacturing for us.

If the third parties that we engage to supply any materials or manufacture product for our preclinical tests and clinical trials should cease to continue to do so for any reason, we likely would experience delays in advancing these tests and trials while we identify and qualify replacement suppliers or manufacturers and we may be unable to obtain replacement supplies on terms that are favorable to us. In addition, if we are not able to obtain adequate supplies of our product candidates or the substances used to manufacture them, it will be more difficult for us to develop our product candidates and compete effectively.

Our current and anticipated future dependence upon others for the manufacture of our product candidates (or the key starting and intermediate materials for such product candidates) may adversely affect our future profit margins and our ability to develop product candidates and commercialize any products that receive marketing approval on a timely and competitive basis.

***Our future relationships with customers and third-party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.***

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act, or FCA, which may constrain the business or financial arrangements and relationships through which we sell, market and distribute any products for which we obtain marketing approval. In addition, we may be subject to transparency laws and patient privacy regulation by the U.S. federal and state governments and by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs or other federal healthcare programs. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution;
- the federal civil and criminal false claims laws and civil monetary penalty laws, including the FCA, which prohibit any person or entity from, among other things, knowingly presenting, or causing to be presented, a false, fictitious or fraudulent claim for payment to, or approval by, the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statutes or specific intent to violate them;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose, among other things, specified requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities and their business associates. HITECH also created new tiers of civil monetary

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penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions;

- the Physician Payments Sunshine Act, created under the ACA, and its implementing regulations, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;
- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and healthcare and data protection laws in the European Union and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers and laws governing the privacy and security of certain protected information, such as the General Data Protection Regulation, or GDPR, which imposes obligations and restrictions on the collection and use of personal data relating to individuals located in the European Economic Area, or the EEA, and the United Kingdom (including health data).

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our business arrangements with third parties comply with applicable healthcare laws, as well as responding to investigations by government authorities, can be time- and resource-consuming and can divert management's attention from the business.

If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from participation in federal and state funded healthcare programs, contractual damages and the curtailment or restricting of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, any of which could harm our ability to operate our business and our financial results. Further, if the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. In addition, the approval and commercialization of any product candidate we

develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

## **Risks related to intellectual property**

***If we and our collaborators are unable to obtain and maintain sufficient patent and other intellectual property protection for our product candidates and technology, our competitors could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market or successfully commercialize any product candidates we may develop.***

Our success depends in significant part on our ability and the ability of our collaborators to obtain, maintain, enforce and defend patents and other intellectual property rights with respect to our product candidates and technology and to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights of others. If we and our collaborators are unable to obtain and maintain sufficient intellectual property protection for RMC-4630 or other product candidates that we may identify, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors and other third parties could develop and commercialize product candidates similar or identical to ours, and our ability (and the ability of our collaborators) to successfully commercialize RMC-4630 and other product candidates that we (and our collaborators) may pursue may be impaired. We do not have any issued patents with respect to our SHP2 program, including RMC-4630, and we can provide no assurance that any of our current or future patent applications will result in issued patents or that any issued patents will provide us with any competitive advantage. Failure to obtain such issued patents could have a material adverse effect on our and Sanofi's ability to develop and commercialize SHP2 inhibitor products, including RMC-4630, and on our ability to receive milestone, royalty or other payments from Sanofi pursuant to the Sanofi Agreement.

We seek to protect our proprietary positions by, among other things, filing patent applications in the United States and abroad related to RMC-4630 or other product candidates that we may identify. Obtaining, maintaining, defending and enforcing pharmaceutical patents is costly, time consuming and complex, and we may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing, prosecution and maintenance of patent applications, or to maintain the rights to patents licensed to or from third parties.

Although we enter into confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Further, we may not be aware of all third-party intellectual property rights potentially relating to our product candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

The patent position of pharmaceutical companies generally is highly uncertain, involves complex legal, technological and factual questions and has, in recent years, been the subject of much debate and litigation throughout the world. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. The subject matter claimed in a patent application

can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Therefore, our pending and future patent applications may not result in patents being issued in relevant jurisdictions that protect our product candidates, in whole or in part, or which effectively prevent others from commercializing competitive product candidates, and even if our patent applications issue as patents in relevant jurisdictions, they may not issue in a form that will provide us with any meaningful protection for our product candidates or technology, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Additionally, our competitors may be able to circumvent our patents by developing similar or alternative product candidates or technologies in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third-party preissuance submission of prior art to the United States Patent and Trademark Office, or the USPTO, or become involved in opposition, derivation, revocation, reexamination, *inter partes* review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others, or other proceedings in the USPTO or applicable foreign offices that challenge priority of invention or other features of patentability. An adverse determination in any such submission, proceeding or litigation could result in loss of exclusivity or freedom to operate, patent claims being narrowed, invalidated or held unenforceable, in whole or in part, limit the scope or duration of the patent protection of our product candidates, all of which could limit our ability to stop others from using or commercializing similar or identical product candidates or technology to compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates, or could have a material adverse effect on our ability to raise funds necessary to continue our research programs or clinical trials. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us.

In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products or technology similar or identical to ours for a meaningful amount of time, or at all. Moreover, some of our owned or licensed patents and patent applications are, and may in the future be, co-owned with third parties. If we are unable to obtain exclusive licenses to any such co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

***We have entered into licensing agreements with third parties. If we fail to comply with our obligations in the agreements under which we license intellectual property rights to or from third parties, or these agreements are terminated, or we otherwise experience disruptions to our business relationships with our licensors or licensees, our competitive position, business, financial condition, results of operations and prospects could be harmed.***

In addition to patent and other intellectual property rights we own or co-own, we have licensed, and may in the future license, patent and other intellectual property rights to and from other parties. Licenses may not provide us with exclusive rights to use the applicable intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our products and technology in the

future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products or technologies.

In addition, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications or to maintain, defend and enforce the patents that we license to or from third parties, and we may have to rely on our partners to fulfill these responsibilities. For example, in June 2018, we entered into the Sanofi Agreement, wherein we exclusively licensed the worldwide rights in our SHP2 inhibitor program, including RMC-4630, to Sanofi. Although we have review and comment rights regarding patent prosecution decisions, Sanofi retains ultimate decision-making control, as well as the sole and exclusive right to enforce infringement of or defend claims against patents that relate to SHP2 inhibitor products licensed to it pursuant to the Sanofi Agreement. Consequently, any such licensed patents and applications may not be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If our current or future licensors, licensees or collaborators fail to prepare, file, prosecute, maintain, enforce, and defend licensed patents and other intellectual property rights, such rights may be reduced or eliminated, and our right to develop and commercialize any of our product candidates or technology that are the subject of such licensed rights could be adversely affected. In addition, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties, the licensor may have the right to terminate the license. If these agreements are terminated, the underlying patents fail to provide the intended exclusivity or we otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business or be prevented from developing and commercializing our product candidates, and competitors could have the freedom to seek regulatory approval of, and to market, products identical to ours. Termination of these agreements or reduction or elimination of our rights under these agreements may also result in our having to negotiate new or reinstated agreements with less favorable terms, cause us to lose our rights under these agreements, including our rights to important intellectual property or technology, or impede, delay or prohibit the further development or commercialization of one or more product candidates that rely on such agreements. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to expend significant time and resources to redesign our product candidates or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis.

In addition, the research resulting in certain of our owned and in-licensed patent rights and technology was funded in part by the U.S. federal or state governments. As a result, the government may have certain rights, including march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for noncommercial purposes. These rights may permit the government to disclose our confidential information to third parties or allow third parties to use our licensed technology. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues and certain provisions in intellectual property license agreements may be susceptible to

multiple interpretations. Disputes may arise between us and our licensing partners regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which technology and processes of one party infringe on intellectual property of the other party that are not subject to the licensing agreement;
- rights to sublicense patent and other rights to third parties;
- any diligence obligations with respect to the use of the licensed technology in relation to development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property;
- rights to transfer or assign the license; and
- the effects of termination.

The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could harm our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

In addition, if our licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties or if the licensed patents or other rights are found to be invalid or unenforceable, our business, competitive position, financial condition, results of operations and prospects could be materially harmed. For more information regarding our license agreements, see “Business—Collaboration agreement with Sanofi.” Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

***If we are unable to obtain licenses from third parties on commercially reasonable terms or at all, our business could be harmed.***

It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products, in which case we would be required to obtain a license from these third parties. The licensing of third-party intellectual property rights is a competitive area, and more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. More established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to license such technology, or if we are forced to license such technology on unfavorable terms, our business could be materially harmed. If we are unable to obtain a necessary license, we may be unable to develop or commercialize the affected product candidates, which could materially harm our business, and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties or other forms of compensation. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

***We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might subject us to infringement claims or adversely affect our ability to develop and market our product candidates.***

We cannot guarantee that any of our or our licensors' patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending patent application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. For example, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the United States remain confidential until patents issue. As mentioned above, patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our product candidates could have been filed by third parties without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our product candidates or the use of our product candidates. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our product candidates. We may incorrectly determine that our product candidates are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our product candidates.

If we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay damages, which may be significant, we may be temporarily or permanently prohibited from commercializing any of our product candidates that are held to be infringing. We might, if possible, also be forced to redesign product candidates so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business and could adversely affect our business, financial condition, results of operations and prospects.

***Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.***

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for a product candidate, we may be open to competition from competitive medications, including generic medications. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to ours for a meaningful amount of time, or at all.

Depending upon the timing, duration and conditions of any FDA marketing approval of our product candidates, one or more of our owned or licensed U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman

Amendments, and similar legislation in the European Union and certain other countries. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable product candidate will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case, and our competitive position, business, financial condition, results of operations and prospects could be materially harmed.

Also, there are detailed rules and requirements regarding the patents that may be submitted to the FDA for listing in the Approved Drug Products with Therapeutic Equivalence Evaluations, or the Orange Book. We may be unable to obtain patents covering our product candidates that contain one or more claims that satisfy the requirements for listing in the Orange Book. Even if we submit a patent for listing in the Orange Book, the FDA may decline to list the patent, or a manufacturer of generic drugs may challenge the listing. If one of our product candidates is approved and a patent covering that product candidate is not listed in the Orange Book, a manufacturer of generic drugs would not have to provide advance notice to us of any abbreviated new drug application filed with the FDA to obtain permission to sell a generic version of such product candidate. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

***We may not be able to protect our intellectual property rights throughout the world.***

Filing, prosecuting, maintaining, defending and enforcing patents on our product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may export otherwise infringing products to territories where we have patent protection, but enforcement rights are not as strong as those in the United States. These products may compete with our product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement or protection of patents, trade secrets and other intellectual property, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not

issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

Many foreign countries, including some European Union countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of the applicable patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license, which could adversely affect our business, financial condition, results of operations and prospects.

***Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.***

Obtaining and enforcing patents in the pharmaceutical industry is inherently uncertain, due in part to ongoing changes in the patent laws. For example, in the United States, depending on decisions by Congress, the federal courts, and the USPTO, the laws and regulations governing patents, and interpretation thereof, could change in unpredictable ways that could weaken our and our licensors' or collaborators' ability to obtain new patents or to enforce existing or future patents. For example, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Therefore, there is increased uncertainty with regard to our and our licensors' or collaborators' ability to obtain patents in the future, as well as uncertainty with respect to the value of patents once obtained.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. For example, assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act, or the Leahy-Smith Act, enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications are prosecuted and may also affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to challenge the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, particularly the first inventor-to-file provisions. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents. Similarly, statutory or judicial changes to the patent laws of other countries may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. All of the foregoing could harm our business, financial condition, results of operations and prospects.

***Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated if we fail to comply with these requirements.***

Periodic maintenance fees, renewal fees, annuity fees, and various other fees are required to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of a patent. In certain circumstances, we rely on our licensors and collaborators to pay these fees. The USPTO and various foreign patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar requirements during the patent application and prosecution process. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. While an inadvertent lapse can in some cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in irrevocable abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we or our licensors or collaborators fail to maintain the patents and patent applications covering our product candidates, our competitors might be able to enter the market with similar or identical products or technology, which would harm our business, financial condition, results of operations and prospects.

***We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful, and issued patents covering our technology and product candidates could be found invalid or unenforceable if challenged.***

Competitors and other third parties may infringe or otherwise violate our issued patents or other intellectual property or the patents or other intellectual property of our licensors. In addition, our patents or the patents of our licensors may become involved in inventorship or priority disputes. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. To counter infringement or other unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Our ability to enforce patent rights also depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents or that our patents are invalid or unenforceable. In a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse result in any litigation proceeding could put one or more of our owned or licensed patents at risk of being invalidated, held unenforceable or interpreted narrowly. We may find it impractical or undesirable to enforce our intellectual property against some third parties.

If we were to initiate legal proceedings against a third party to enforce a patent directed to our product candidates, or one of our future product candidates, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or insufficient written description. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO or an equivalent foreign body, even outside the context of litigation. Potential proceedings include re-examination, post-grant review, inter

partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or any product candidates that we may develop. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on the applicable product candidates or technology covered by the patent rendered invalid or unenforceable. Such a loss of patent protection would materially harm our business, financial condition, results of operations and prospects.

Interference proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be materially harmed if the prevailing party does not offer us a license on commercially reasonable terms.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Some of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims could result in substantial costs and diversion of management resources, which could harm our business. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, or in-license needed technology or other product candidates. There could also be public announcements of the results of the hearing, motions, or other interim proceedings or developments. If securities analysts or investors perceive those results to be negative, it could cause the price of shares of our common stock to decline. Any of the foregoing events could harm our business, financial condition, results of operation and prospects.

***Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could negatively impact the success of our business.***

Our commercial success depends upon our ability to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties. There is considerable intellectual property litigation in the pharmaceutical industry. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates and their manufacture and our other technology, including re-examination, interference, post-grant review, inter partes review or derivation proceedings before the USPTO or an equivalent foreign body. Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are developing our product candidates. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit.

Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. A court of competent jurisdiction could hold that third-party patents asserted against us are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any product candidates we may develop and any other product candidates or technologies covered by the asserted third-party patents. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If we are found to infringe, misappropriate or otherwise violate a third party's intellectual property rights, and we are unsuccessful in demonstrating that such rights are invalid or unenforceable, we could be required to obtain a license from such a third party in order to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties and other fees, redesign our infringing product candidate or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

***We may be subject to claims by third parties asserting that we or our employees have infringed upon, misappropriated or otherwise violated their intellectual property rights, or claiming ownership of what we regard as our own intellectual property.***

Many of our employees were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. We may also be subject to claims that patents and applications we have filed to protect inventions of our employees, consultants and advisors, even those related to one or more of our product candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs, delay development of our product candidates and be a distraction to management. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

***We may be subject to claims challenging the inventorship of our patents and other intellectual property.***

We or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we or our licensors may have inventorship disputes arise from conflicting obligations of employees, consultants or others who are involved in developing our product candidates. While it is our policy to require our employees and contractors who may be involved in the development of intellectual

property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or our or our licensors' ownership of our owned or in-licensed patents, trade secrets or other intellectual property. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our product candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.***

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. As noted above, some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties, or enter into development collaborations that would help us commercialize our product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

***If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.***

We rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology and other proprietary information (including unpatented know-how associated with Warp Drive) and to maintain our competitive position. Trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary information will be effective.

We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. Enforcing a claim that a

party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

***If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.***

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

***Intellectual property rights do not necessarily address all potential threats.***

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to any product candidates we may develop or utilize similar technology but that are not covered by the claims of the patents that we license or may own in the future;
- we, or our current or future licensors might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future;
- we, or our current or future licensors might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- it is possible that our pending owned or licensed patent applications or those that we may own or license in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;

- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could harm our business, financial condition, results of operations and prospects.

## **Risks related to employee matters, managing our growth and other risks related to our business**

***We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.***

We are highly dependent on members of our executive team. The loss of the services of any of them may adversely impact the achievement of our objectives. Any of our executive officers could leave our employment at any time, as all of our employees are “at-will” employees. We currently do not have “key person” insurance on any of our employees. The loss of the services of one or more of our key personnel might impede the achievement of our research, development and commercialization objectives.

Recruiting and retaining qualified employees, consultants and advisors for our business, including scientific and technical personnel, also will be critical to our success. Competition for skilled personnel is intense and the turnover rate can be high. We may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies and academic institutions for skilled individuals. In addition, failure to succeed in preclinical studies, clinical trials or applications for marketing approval may make it more challenging to recruit and retain qualified personnel. The inability to recruit, or the loss of services of certain executives, key employees, consultants or advisors, may impede the progress of our research, development and commercialization objectives and have a material adverse effect on our business, financial condition, results of operations and prospects.

***We currently have no sales organization. If we are unable to establish sales capabilities on our own or through third parties, we may not be able to market and sell any products effectively, if approved, or generate product revenue.***

We currently do not have a marketing or sales organization. In order to commercialize any product, if approved, in the United States and foreign jurisdictions, we must build our marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. In advance of any of our product candidates receiving regulatory approval, we expect to establish a sales organization with technical expertise and supporting distribution capabilities to commercialize each such product candidate, which will be expensive and time-consuming. We have no prior experience in the marketing, sale and distribution of pharmaceutical products, and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain, and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel, and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the

commercialization of these products. We may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements on acceptable terms or at all, we may not be able to successfully commercialize our product candidates. If we are not successful in commercializing products, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

***We will need to grow the size of our organization, and we may experience difficulties in managing this growth.***

As of July 31, 2019, we had 87 full-time employees, including 71 employees engaged in research and development. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and FDA review process for RMC-4630 and any other product candidate we develop, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to advance development of and, if approved, commercialize RMC-4630 and any other product candidate we develop will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including substantially all aspects of marketing approval, clinical management, and manufacturing. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of any current or future product candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize RMC-4630 and any future product candidates we develop and, accordingly, may not achieve our research, development and commercialization goals.

***We have in the past engaged and may in the future engage in strategic transactions; such transactions could affect our liquidity, dilute our existing stockholders, increase our expenses and present significant challenges in focus and energy to our management or prove not to be successful.***

From time to time, we may consider strategic transactions, such as acquisitions of companies, asset purchases and out-licensing or in-licensing of intellectual property, products or technologies. For example, in October

2018, we acquired all of the outstanding shares of Warp Drive Bio, which became our direct wholly-owned subsidiary. See “Business—Acquisition of Warp Drive.”

Additional potential transactions that we may consider in the future include a variety of business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments. Any future transactions could result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transaction may never be successful and may require significant time and attention of management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition.

***If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.***

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

***We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.***

Our corporate headquarters and other facilities are located in the San Francisco Bay Area, which in the past has experienced both severe earthquakes and wildfires. We do not carry earthquake insurance. Earthquakes, wildfires or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects.

If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our enterprise financial systems or manufacturing resource planning and enterprise quality systems, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business.

Furthermore, integral parties in our supply chain are similarly vulnerable to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

***Our internal computer systems, or those used by our CROs or other contractors or consultants, may fail or suffer security breaches.***

Despite the implementation of security measures, our internal computer systems and those of our future CROs and other contractors and consultants are vulnerable to damage from computer viruses and unauthorized access. While we have not to our knowledge experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of our product candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our future product candidates could be delayed.

***Our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.***

We are exposed to the risk that our employees, independent contractors, vendors, principal investigators, CROs and consultants may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and comparable foreign regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the United States and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials or creating fraudulent data in our preclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

## Risks related to our common stock and this offering

***If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.***

The initial public offering price of our common stock will be substantially higher than the pro forma as adjusted net tangible book value per share of our common stock. Therefore, if you purchase our common stock in this offering, you will pay a price per share that substantially exceeds the pro forma as adjusted net tangible book value per share after the completion of this offering. Based on an assumed initial public offering price of \$      per share, which is the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of \$      per share, representing the difference between our pro forma as adjusted net tangible book value per share and the assumed initial public offering price. In addition, investors purchasing common stock in this offering will contribute      % of the total amount invested by stockholders since inception, but will own only      % of our common stock outstanding after this offering. In the past, we issued options and other securities to acquire common stock at prices significantly below the initial public offering price. To the extent these outstanding securities are ultimately exercised, investors purchasing common stock in this offering will incur further dilution. See “Dilution” for a more detailed description of the dilution to new investors in the offering.

***The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering.***

Our stock price is likely to be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above the initial public offering price. The market price for our common stock may be influenced by many factors, including:

- the success of competitive products or technologies;
- results of clinical trials and preclinical studies or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to our product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license product candidates or companion diagnostics;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors; and
- general economic, industry and market conditions.

***An active trading market for our common stock may not develop, and you may not be able to resell your shares at or above the initial public offering price.***

Prior to this offering, there has been no public market for shares of our common stock and an active trading market for our shares may never develop or be sustained following this offering. The initial public offering price of our common stock will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our common stock after this offering. In the absence of an active trading market for our common stock, investors may not be able to sell their common stock at or above the initial public offering price or at the time that they would like to sell.

***We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock.***

We do not currently intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future. Since we do not intend to pay dividends, your ability to receive a return on your investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our common stock will appreciate or even maintain the price at which our holders have purchased it.

***We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements, that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the year in which we complete this offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least \$1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed \$700.0 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

***Our executive officers, directors and their affiliates will continue to exercise significant influence over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.***

Immediately following the completion of this offering, our executive officers, directors and their affiliates will beneficially own, in the aggregate, approximately % of our outstanding common stock, assuming the sale by us of shares of common stock in this offering, based on an assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation or sale of all or substantially all of our assets. These stockholders acquired their shares of common stock for substantially less than the price of the shares of common stock being acquired in this offering, and these stockholders may have interests, with respect to their common stock, that are different from those of investors in this offering, and the concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

See "Principal stockholders" in this prospectus for more information regarding the ownership of our outstanding common stock by our executive officers, directors and their affiliates.

***We have broad discretion in how we use the proceeds of this offering and may not use these proceeds effectively, which could affect our results of operations and cause our stock price to decline.***

We will have considerable discretion in the application of the net proceeds from this offering. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the net proceeds from this offering. We may use the net proceeds from this offering for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

***We will incur significantly increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.***

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which will require, among other things, that we file with the U.S. Securities and Exchange Commission, or the SEC, annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was enacted. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas such as "say on pay" and proxy access. Recent legislation permits emerging growth companies to implement many of these requirements over a longer period and up to five years from the

pricing of this offering. We intend to take advantage of this new legislation, but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, results of operations and prospects. The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

***Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.***

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares of common stock, on an as-converted basis, outstanding as of September 30, 2019, upon the completion of this offering, we will have outstanding a total of \_\_\_\_\_ shares of common stock, assuming no exercise of the underwriters' option to purchase an additional \_\_\_\_\_ shares. Of these shares, as of the date of this prospectus, approximately \_\_\_\_\_ shares of our common stock, or \_\_\_\_\_ % of shares of our common stock, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable, without restriction, in the public market immediately following this offering, assuming that current stockholders do not purchase shares in this offering.

The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus, subject to earlier release of all or a portion of the shares subject to such agreements by J.P. Morgan Securities LLC in its sole discretion. After the lock-up agreements expire, based upon the number of shares of common stock, on an as-converted basis, outstanding as of September 30, 2019, up to an additional \_\_\_\_\_ shares of common stock will be eligible for sale in the public market. Approximately \_\_\_\_\_ % of these additional shares are held by directors, executive officers and other affiliates and will be subject to certain limitations of Rule 144 under the Securities Act of 1933, as amended, or the Securities Act.

Upon completion of this offering, \_\_\_\_\_ shares of common stock that are either subject to outstanding options or reserved for future issuance under our equity incentive plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

After this offering, the holders of approximately 193 million shares of our common stock, including those issuable upon the conversion of our preferred stock, will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. Registration of these

shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

***Our ability to utilize our net operating loss carryforwards and certain other tax attributes has been limited by “ownership changes” and may be further limited.***

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, and corresponding provisions of state law, if a corporation undergoes an “ownership change” (generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a rolling three-year period), the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We have in the past experienced, and we may in the future experience ownership changes as a result of this offering or other changes in our stock ownership (some of which are not in our control). Use of our federal and state net operating loss carryforwards have been limited and could be further limited if we experience additional ownership changes, which could have an adverse effect on our future results of operations.

***If we sell shares of our common stock in future financings, stockholders may experience immediate dilution and, as a result, our stock price may decline.***

We may from time to time issue additional shares of common stock at a discount from the current trading price of our common stock. As a result, our stockholders would experience immediate dilution upon the purchase of any shares of our common stock sold at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of debt securities, preferred stock or common stock. If we issue common stock or securities convertible into common stock, our common stockholders would experience additional dilution and, as a result, our stock price may decline.

***If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.***

The trading market for our common stock will rely, in part, on the research and reports that industry or financial analysts publish about us or our business. We may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which, in turn, could cause our stock price to decline.

***If we fail to implement and maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.***

Pursuant to Section 404 of Sarbanes-Oxley, our management will be required to report upon the effectiveness of our internal control over financial reporting beginning with the annual report for our fiscal year ending December 31, 202 . When we lose our status as an “emerging growth company,” our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we will need to implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff.

We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. Any failure to implement and maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

***Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.***

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect immediately prior to the consummation of this offering will contain provisions that could delay or prevent changes in control or changes in our management without the consent of our board of directors. These provisions will include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- the required approval of at least 66 2/3% of the shares entitled to vote at an election of directors to adopt, amend or repeal our amended and restated bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by our chief executive officer or president or by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction. For a description of our capital stock, see the section titled "Description of capital stock."

***Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.***

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws to be effective immediately prior to the completion of this offering and our indemnification agreements that we have entered into with our directors and officers will provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

***Our amended and restated certificate of incorporation and amended and restated bylaws will provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that the Court of Chancery of the State of Delaware is the exclusive forum for any state law derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the

Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Nothing in our amended and restated certificate of incorporation or amended and restated bylaws will preclude stockholders that assert claims under the Securities Act or the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. If a court were to find the choice of forum provision that will be contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition, results of operations and prospects.

***Comprehensive tax reform legislation could adversely affect our business and financial condition.***

On December 22, 2017, the U.S. government enacted the TCJA, which significantly reforms the Code. The TCJA, among other things, contains significant changes to corporate taxation, including reduction of the U.S. federal income corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, effective January 1, 2018; limitation of the tax deduction for interest expense; limitation of the deduction for net operating losses and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such tax losses may be carried forward indefinitely); and modifying or repealing many business deductions and credits, including reducing the business tax credit for certain clinical testing expenses incurred in the testing of certain drugs for rare diseases or conditions generally referred to as "orphan drugs." The tax rate change resulted in (i) a reduction in the gross amount of our deferred tax assets recorded as of December 31, 2017, without an impact on the net amount of our deferred tax assets, which are recorded with a full valuation allowance, and (ii) no income tax expense or benefit being recognized as of the enactment date of the TCJA. We continue to examine the impact this tax reform legislation may have on our business. The U.S. Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how we will apply the law and impact our results of operations in the period issued. As such, the application of accounting guidance for such items is currently uncertain. While we have completed our accounting for the effects of the TCJA, additional regulatory guidance may still be issued by the applicable taxing authorities which could materially affect our tax obligations and effective tax rate.

## Special note regarding forward-looking statements

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the scope, progress, results and costs of developing our product candidates or any other future product candidates, and conducting preclinical studies and clinical trials, including our RMC-4630 Phase 1/2 clinical program;
- the scope, progress, results and costs related to the research and development of our pipeline;
- the timing of and costs involved in obtaining and maintaining regulatory approval for any of current or future product candidates, and any related restrictions, limitations, and/or warnings in the label of an approved product candidate;
- our expectations regarding the potential market size and size of the potential patient populations for RMC-4630, our other product candidates and any future product candidates, if approved for commercial use;
- our ability to maintain existing, and establish new, collaborations, licensing or other arrangements and the financial terms of any such agreements, including our collaboration with Sanofi;
- our commercialization, marketing and manufacturing capabilities and expectations;
- the rate and degree of market acceptance of our product candidates, as well as the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model and strategic plans for our business, product candidates and technology, including additional indications for which we may pursue;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates, including the projected term of patent protection;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- developments and projections relating to our competitors and our industry, including competing therapies and procedures;
- regulatory and legal developments in the United States and foreign countries;
- the performance of our third-party suppliers and manufacturers;
- our ability to attract and retain key scientific or management personnel;
- our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act;

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- our expectations regarding our ability to obtain, maintain, enforce and defend our intellectual property protection for our product candidates;
- our use of proceeds from this offering; and
- other risks and uncertainties, including those listed under the caption “Risk factors.”

These forward-looking statements are based on management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management’s beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under “Risk factors” and elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this prospectus. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus. See “Where you can find more information.”

## Market and industry data

This prospectus contains estimates, projections and other information concerning our industry and, business, as well as data regarding market research, estimates and forecasts prepared by our management. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

This industry, business, market and other information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified any third-party information and cannot assure you of its accuracy or completeness. Although we are responsible for all of the disclosure contained in this prospectus and we believe the market position, market opportunity, market size and other information included in this prospectus is reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

## Use of proceeds

We estimate that the net proceeds to us from the sale of \_\_\_\_\_ shares of our common stock in this offering will be approximately \$ \_\_\_\_\_ million at an assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares in full, we estimate that the net proceeds will be approximately \$ \_\_\_\_\_ million at an assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by \$ \_\_\_\_\_ million, assuming the assumed initial public offering price stays the same. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

We currently expect to use our net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, as follows:

- Approximately \$ \_\_\_\_\_ to \$ \_\_\_\_\_ million to fund the development of our multiple RAS programs, including our RAS(ON) portfolio and SOS1 program, through completion of IND-enabling studies for one or more development candidates;
- Approximately \$ \_\_\_\_\_ to \$ \_\_\_\_\_ million to fund the development of our 4EBP1/mTORC1 program through completion of IND-enabling studies for RMC-5552;
- Approximately \$ \_\_\_\_\_ to \$ \_\_\_\_\_ million, net of reimbursement from Sanofi, to fund our share of research costs for the SHP2 program; and
- The remaining proceeds for other general corporate purposes, which may include the hiring of additional personnel, capital expenditures and the costs of operating as a public company.

Under our collaboration with Sanofi, Sanofi is responsible for reimbursing substantially all of our research costs and all of our development costs for the SHP2 program. We may also use a portion of the remaining net proceeds from this offering and our existing cash, cash equivalents and marketable securities to in-license, acquire or invest in complementary businesses, technologies, products or assets. However, we have no current commitments or obligations to do so.

Due to the uncertainties inherent in the clinical development and regulatory approval process, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for the above purposes. As such, our management will retain broad discretion over the use of the net proceeds from this offering. The amounts and timing of our expenditures may depend upon numerous factors, including: (i) continued research and development SHP2 program reimbursement by Sanofi under the Sanofi Agreement; (ii) the time and cost necessary to advance our product candidates through clinical trials and future clinical trials; (iii) the time and cost associated with our research and development activities for our pipeline; (iv) the

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time and cost associated with the manufacture and supply of product candidates for clinical development or commercialization; and (v) our ability to obtain regulatory approval for and subsequently commercialize our product candidates.

We believe that the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, will enable us to fund our operations for at least 12 months following the date of this offering. After this offering, we will require substantial capital in order to advance our current and future product candidates through clinical trials, regulatory approval and, if approved, commercialization. For additional information regarding our potential capital requirements, see “Risk factors—Even if this offering is successful, we will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.”

Pending the use of the proceeds from this offering, we intend to invest the net proceeds in interest-bearing, investment-grade securities, certificates of deposit or government securities.

## Dividend policy

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors might deem relevant.

## Capitalization

The following table sets forth our cash, cash equivalents and marketable securities and capitalization as of September 30, 2019:

- on an actual basis;
- on a pro forma basis to give effect to: (i) the conversion of all \_\_\_\_\_ shares of our redeemable convertible preferred stock outstanding as of September 30, 2019 into an equivalent number of shares of our common stock, which will be effective upon the closing of this offering; and (ii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this information together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the headings “Selected consolidated financial data,” “Unaudited pro forma condensed combined financial statements” and “Management’s discussion and analysis of financial condition and results of operations.”

	As of September 30, 2019		
	Actual	Pro forma	Pro forma as adjusted(1)
	(in thousands, except share and per share amounts)		
Cash, cash equivalents and marketable securities(2)	\$ _____	\$ _____	\$ _____
Redeemable convertible preferred stock, \$0.0001 par value per share; _____ shares authorized, _____ shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted			
Stockholders’ (deficit) equity:			
Preferred stock, \$0.0001 par value per share; no shares authorized, issued and outstanding, actual; _____ shares authorized, and no shares issued and outstanding, pro forma and pro forma as adjusted			
Common stock, \$0.0001 par value per share; _____ shares authorized, _____ shares issued and outstanding, actual; _____ shares authorized, shares issued and outstanding, pro forma; _____ shares authorized, _____ shares issued and outstanding, pro forma as adjusted			
Additional paid-in capital			
Accumulated other comprehensive loss			
Accumulated deficit			
Total stockholders’ (deficit) equity			
Total capitalization	\$ _____	\$ _____	\$ _____

(1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) the amount of each of cash, cash equivalents and marketable securities, additional paid-in

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capital, total stockholders' equity and total capitalization by \$ \_\_\_\_\_, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) each of cash, cash equivalents and marketable securities, additional paid-in capital, total stockholders' equity and total capitalization by \$ \_\_\_\_\_, assuming the assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus) remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

- (2) We have classified our marketable securities as available-for-sale, and may sell these securities prior to their stated maturities. We view these marketable securities as available to support current operations, and classify marketable securities with maturities beyond 12 months as current assets under the caption marketable securities in the unaudited condensed consolidated financial statements appearing elsewhere in this prospectus.

The outstanding share information in the table above excludes the following:

- \_\_\_\_\_ shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2019 having a weighted-average exercise price of \$ \_\_\_\_\_ per share;
- \_\_\_\_\_ shares of common stock issuable upon the exercise of stock options granted after September 30, 2019 having a weighted-average exercise price of \$ \_\_\_\_\_ per share;
- \_\_\_\_\_ shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of September 30, 2019, which will become available for issuance under our 20\_\_\_\_ Incentive Award Plan after consummation of this offering;
- \_\_\_\_\_ shares of common stock reserved for issuance pursuant to future awards under our 20\_\_\_\_ Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective on the day prior to the first public trading date of our common stock; and
- \_\_\_\_\_ shares of common stock reserved for issuance pursuant to future awards under our 20\_\_\_\_ Employee Stock Purchase Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective on the day prior to the first public trading date of our common stock.

## Dilution

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

As of September 30, 2019, we had a historical net tangible book value (deficit) of \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share of common stock. Our historical net tangible book value (deficit) represents total tangible assets less total liabilities and redeemable convertible preferred stock, all divided by \_\_\_\_\_ shares of common stock outstanding on September 30, 2019. Our pro forma net tangible book value as of September 30, 2019, before giving effect to this offering, was \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share of our common stock. Pro forma net tangible book value, before the issuance and sale of shares in this offering, gives effect to:

- the conversion of all \_\_\_\_\_ outstanding shares of our redeemable convertible preferred stock as of September 30, 2019 into an equivalent number of shares of common stock upon the closing of this offering; and
- the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering.

After giving effect to the sale of \_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus) and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2019 would have been \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of \$ \_\_\_\_\_ per share to existing stockholders and an immediate dilution in pro forma net tangible book value of \$ \_\_\_\_\_ per share to new investors. The following table illustrates this per share dilution:

Assumed initial public offering price per share	\$ _____
Historical net tangible book value (deficit) per share as of September 30, 2019	\$ _____
Pro forma change in historical net tangible book value (deficit) per share attributable to the pro forma transactions described in the preceding paragraphs	_____
Pro forma net tangible book value per share as of September 30, 2019	_____
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares in this offering	_____
Pro forma as adjusted net tangible book value per share after this offering	_____
Dilution per share to new investors purchasing shares in this offering	\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus) would increase (decrease) our pro forma as adjusted net tangible book value as of September 30, 2019 after this offering by \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share, and would decrease (increase) dilution to investors in this offering by \$ \_\_\_\_\_ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Assuming the assumed initial public price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus) remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, each increase of 1,000,000 in the number of shares we are offering would increase our pro forma as adjusted net tangible book value as of September 30, 2019 after this offering by \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share,

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and would decrease dilution to investors in this offering by \$ \_\_\_\_\_ per share, and a decrease of 1,000,000 in the number of shares we are offering would decrease our pro forma as adjusted net tangible book value as of September 30, 2019 after this offering by \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share, and would increase dilution to investors in this offering by \$ \_\_\_\_\_ per share. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters fully exercise their option to purchase additional shares, the pro forma as adjusted net tangible book value after this offering would be \$ \_\_\_\_\_, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be \$ \_\_\_\_\_ per share, and there would be an immediate dilution of \$ \_\_\_\_\_ per share to new investors, in each case assuming an initial offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus).

To the extent that outstanding options with an exercise price per share that is less than the pro forma as adjusted net tangible book value per share are exercised, new investors will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

The following table shows, as of September 30, 2019, on a pro forma as adjusted basis, the number of shares of common stock purchased from us, the total consideration paid or to be paid to us and the average price paid per share by existing stockholders for shares issued prior to this offering and the price to be paid by new investors purchasing common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus), before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount (in thousands)	Percent	
Existing stockholders before this offering		%	\$	%	\$
Investors participating in this offering		%	\$	%	\$
<b>Total</b>		%	\$	%	

The number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of September 30, 2019 and excludes the following:

- \_\_\_\_\_ shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2019 having a weighted-average exercise price of \$ \_\_\_\_\_ per share;
- \_\_\_\_\_ shares of common stock issuable upon the exercise of stock options granted after September 30, 2019 having a weighted-average exercise price of \$ \_\_\_\_\_ per share;
- \_\_\_\_\_ shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of September 30, 2019, which will become available for issuance under our 20 \_\_\_\_\_ Incentive Award Plan after consummation of this offering;
- \_\_\_\_\_ shares of common stock reserved for issuance pursuant to future awards under our 20 \_\_\_\_\_ Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective on the day prior to the first public trading date of our common stock; and

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- shares of common stock reserved for issuance pursuant to future awards under our 20 Employee Stock Purchase Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective on the day prior to the first public trading date of our common stock.

## Selected consolidated financial data

The following tables summarize our selected consolidated financial data. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the caption "Unaudited pro forma condensed combined financial statements" and "Management's discussion and analysis of financial condition and results of operations." The selected consolidated financial data in this section are not intended to replace the financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus.

We have derived the following selected consolidated statements of operations and comprehensive loss data for the years ended December 31, 2017 and 2018 (except for the pro forma net loss per share and the pro forma share information) and the balance sheet data as of December 31, 2017 and 2018 from our audited consolidated financial statements and related notes included elsewhere in this prospectus. The selected consolidated statements of operations and comprehensive loss data for the nine months ended September 30, 2018 and 2019 and the selected consolidated balance sheet data as of September 30, 2019 are derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States and on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of September 30, 2019 and the results of operations for the nine months ended September 30, 2018 and 2019. On October 24, 2018, we acquired Warp Drive for total consideration valued at \$69.0 million. Our consolidated financial statements included the results of operations of Warp Drive and estimated fair values of assets acquired and liabilities assumed commencing as of the acquisition date. Our historical results are not necessarily indicative of the results that may be expected in the future and results for the nine months ended September 30, 2019 are not necessarily indicative of results to be expected for the full year.

	Year ended December 31,		Nine months ended September 30,	
	2017	2018	2018	2019
	(in thousands, except share and per share data)			
<b>Consolidated Statements of Operations Data:</b>				
Revenue:				
Collaboration revenue, related party	\$ —	\$ 19,420		
Collaboration revenue, other	—	745		
Total revenue	—	20,165		
Operating expenses:				
Research and development	26,586	51,084		
General and administrative	4,543	9,410		
Total operating expenses	31,129	60,494		
Loss from operations	(31,129)	(40,329)		
Other income (expense), net:				
Interest income	105	777		
Interest and other expense	(103)	(116)		
Change in fair value of redeemable convertible preferred stock liability	—	(2,121)		
Total other income (expense), net	2	(1,460)		
Net loss and comprehensive loss	\$ (31,127)	\$ (41,789)		
Redeemable convertible preferred stock dividends—undeclared and cumulative	(3,763)	(7,031)		
Net loss attributable to common stockholders	\$ (34,890)	\$ (48,820)		
Net loss per share attributable to common stockholders—basic and diluted(1)	\$ (4.16)	\$ (4.36)		
Weighted-average shares used to compute net loss per share attributable to common stockholders				
—basic and diluted(1)	8,386,173	11,186,287		
Pro forma net loss per share—basic and diluted(1)				
		\$ (0.35)		
Weighted-average shares used in computing pro forma net loss per share—basic and diluted(1)				
		112,714,741		

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- (1) For the calculation of our basic and diluted net loss per share attributable to common stockholders, basic and diluted pro forma net loss per share and weighted-average number of shares used in the computation of the per share amounts, see Note 12 to our consolidated financial statements included elsewhere in this prospectus.

	As of December 31,		As of
	2017	2018	September 30, 2019
	(in thousands)		
<b>Consolidated Balance Sheet Data:</b>			
Cash, cash equivalents and marketable securities	\$ 9,079	\$ 69,586	
Working capital(1)	1,843	54,879	
Total assets	15,077	170,586	
Total liabilities	10,546	73,927	
Redeemable convertible preferred stock	72,248	205,081	
Accumulated deficit	(67,933)	(109,722)	
Total stockholders' deficit	(67,717)	(108,422)	

- (1) We define working capital as current assets less current liabilities.

## Unaudited pro forma condensed combined financial statements

On October 24, 2018, Revolution Medicines, Inc. (the Company) acquired all outstanding shares of Warp Drive Bio, Inc. (Warp Drive), for total consideration valued at \$69.0 million. Warp Drive was engaged in research involving the use of intracellular biologics to develop transformative medicines. Warp Drive's business included a genome mining platform that was subject to a collaboration agreement with Hoffman-La Roche Ltd. (Roche) involving research in the area of neomorph antibiotics. The genome mining platform was accounted for as held for sale as of the acquisition date and was divested in January 2019.

The acquisition of Warp Drive was accounted for as a business combination in accordance with Accounting Standards Codification Topic 805, *Business Combinations* (ASC 805). The Company's management used its best estimates and assumptions to assign fair values to the tangible and identifiable intangible assets acquired and liabilities assumed and related income tax impacts as of the acquisition date. Goodwill as of the acquisition date was measured as the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

The estimated purchase price consideration, as calculated and described in Note 2 to the unaudited pro forma condensed combined statement of operations, has been allocated to the tangible and intangible assets acquired and liabilities assumed based on their respective estimated fair values. The Company has made significant assumptions and estimates in determining the estimated purchase price consideration and the allocation of the estimated purchase price in the unaudited pro forma condensed combined statement of operations.

The following unaudited pro forma condensed combined statement of operations is based upon the historical consolidated statement of operations of the Company and statement of operations of Warp Drive after giving effect to the acquisition, and after applying the assumptions, reclassifications and adjustments described in the accompanying notes. The acquisition of Warp Drive has already been reflected in the Company's historical audited consolidated balance sheet as of December 31, 2018. Therefore, no unaudited pro forma condensed combined balance sheet as of December 31, 2018 has been presented herein.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2018 is presented as if the acquisition had occurred on January 1, 2018. The historical consolidated statement of operations has been adjusted in the unaudited pro forma condensed combined statement of operations to give effect to pro forma events that are (1) directly attributable to the acquisition, (2) factually supportable, and (3) expected to have a continuing impact on the combined results following the acquisition. The unaudited pro forma condensed combined statement of operations also reflects the effects of the disposal of the genome mining platform as if it had occurred on January 1, 2018. The unaudited pro forma condensed combined statement of operations should be read in conjunction with the accompanying notes thereto. In addition, the unaudited pro forma condensed combined statement of operations was based on and should be read in conjunction with the:

- separate audited historical consolidated financial statements and accompanying notes of the Company as of and for the year ended December 31, 2018 included elsewhere in this prospectus;
- separate unaudited historical condensed financial statements and accompanying notes of Warp Drive as of and for the nine months ended September 30, 2018 and 2017 included elsewhere in this prospectus; and
- separate audited historical financial statements and accompanying notes of Warp Drive as of and for the years ended December 31, 2017 and 2016 included elsewhere in this prospectus.

The unaudited pro forma condensed combined statement of operations has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's results

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of operations actually would have been had the acquisition been completed as of the dates indicated or that may be achieved in the future.

In addition, the unaudited pro forma condensed combined statement of operations does not purport to project the future operating results of the combined company. The actual results reported by the combined company in periods following the acquisition may differ significantly from those reflected in these unaudited pro forma condensed combined statement of operations for a number of reasons, including cost savings from operating efficiencies, synergies, asset dispositions or restructuring that could result from the acquisition. There were no intercompany transactions between the Company and Warp Drive for the periods presented in the unaudited pro forma condensed combined statement of operations.

# Revolution Medicines, Inc.

## Unaudited pro forma condensed combined statement of operations

For the year ended December 31, 2018  
(in thousands, except per share amounts)

	Historical		Genome mining platform disposal (Note 3a)	Pro forma adjustments	Note 3	Pro forma combined
	Revolution Medicines for the year ended December 31, 2018	Warp Drive for period from January 1, 2018 to October 23, 2018				
<b>Revenue:</b>						
Collaboration revenue, related party	\$ 19,420	\$ 882	\$ —	\$ —	b	\$ 20,302
Collaboration revenue, other	745	3,747	(4,492)	—		—
Grant revenue	—	464	(464)	—		—
<b>Total revenue</b>	<b>20,165</b>	<b>5,093</b>	<b>(4,956)</b>	<b>—</b>		<b>20,302</b>
<b>Operating expenses:</b>						
Research and development	51,084	16,025	(4,430)	(300)	c & e & g	62,379
General and administrative	9,410	6,002	—	(1,693)	d & g	13,719
<b>Total operating expenses</b>	<b>60,494</b>	<b>22,027</b>	<b>(4,430)</b>	<b>(1,993)</b>		<b>76,098</b>
Loss from operations	(40,329)	(16,934)	(526)	1,993		(55,796)
<b>Other income (expense), net:</b>						
Gain on restructuring of debt, related party	—	5,054	—	(5,054)	f	—
Interest income	777	105	—	—		882
Interest and other expense	(116)	(1,099)	—	1,099	f	(116)
Change in fair value of redeemable convertible preferred stock liability	(2,121)	—	—	—		(2,121)
Total other income (expense), net	(1,460)	4,060	—	(3,955)		(1,355)
Net loss and comprehensive loss	\$ (41,789)	\$ (12,874)	\$ (526)	\$ (1,962)	h	\$ (57,151)
Redeemable convertible preferred stock dividends—undeclared and cumulative						
	(7,031)	—	—	(2,414)	i	(9,445)
Net loss attributable to common stockholders	\$ (48,820)	\$ (12,874)	\$ (526)	\$ (4,376)		\$ (66,596)
Net loss per share attributable to common stockholders—basic and diluted						
	\$ (4.36)					\$ (5.95)
Weighted average shares used to compute net loss per share attributable to common stockholders—basic and diluted						
	11,186,287					11,186,287

See accompanying notes to unaudited pro forma condensed combined statement of operations.

# Revolution Medicines, Inc.

## Notes to unaudited pro forma condensed combined statement of operations

### Note 1. Description of transaction and basis of presentation

#### *Description of transaction*

In October 2018, the Company acquired all outstanding shares of Warp Drive in exchange for issuing 33,079,554 shares of its Series B redeemable convertible preferred stock and cash. Warp Drive, based in Cambridge, Massachusetts, was engaged in research involving the use of intracellular biologics to develop transformative medicines.

#### *Basis of presentation*

The following unaudited pro forma combined statement of operations for the year ended December 31, 2018 is presented to give effect to the Company's acquisition of Warp Drive on October 24, 2018 for total consideration valued at \$69.0 million. The unaudited pro forma condensed combined statement of operations was prepared in accordance with Article 11 of Regulation S-X.

The acquisition of Warp Drive is accounted for as a business combination in accordance with ASC 805. The accounting standards define the term "fair value" and set forth the valuation requirements for any asset or liability measured at fair value, and specifies a hierarchy of valuation techniques based on the inputs used to develop the fair value measures. Management used its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2018 is presented as if the acquisition had occurred on January 1, 2018.

Under the acquisition method of accounting, acquisition-related transaction costs are not included as consideration transferred but are accounted for as expenses in the periods in which the costs are incurred. These costs are not presented in the unaudited pro forma condensed combined statement of operations because they will not have a continuing impact on the combined results.

### Note 2. Purchase price consideration and allocation

#### *Purchase price consideration*

The following table presents a summary of the purchase price consideration for the acquisition:

	<b>(in thousands)</b>
Series B redeemable convertible preferred stock	\$ 68,144
Cash	1,172
Contingently returnable consideration asset	(310)
Total consideration	\$ 69,006

The fair value of \$2.06 per share of Series B redeemable convertible preferred stock was determined using a discounted cash flow model to estimate the value of the Company's equity, and subsequently allocated to the Series B redeemable convertible preferred stock using an option pricing method.

# Revolution Medicines, Inc.

## Notes to unaudited pro forma condensed combined statement of operations

The fair value of the contingently returnable consideration asset was determined using an income-based approach. The key assumptions used in determining the fair value are the discount rate and the probability assigned to the potential holdback.

### *Allocation of purchase price to assets acquired and liabilities assumed*

The following table summarizes the estimated fair values of assets acquired and liabilities assumed at the acquisition date, including those held for sale (in thousands):

	(in thousands)
<b>Assets acquired:</b>	
Cash and other current assets	\$ 1,594
Property and equipment	2,151
In-process research and development—RAS programs	55,800
Developed technology—tri-complex platform	7,480
Developed technology—genome mining platform	6,100
Total assets acquired	73,125
<b>Liabilities assumed:</b>	
Accounts payable and other accrued liabilities	3,790
Convertible note payable, related party	2,000
Deferred revenue	745
Deferred tax liability	12,192
Total liabilities assumed	18,727
Goodwill	14,608
<b>Total</b>	<b>\$ 69,006</b>

The valuations of the IPR&D—RAS programs and developed technology—genome mining platform were determined using the income approach, which discounts expected future cash flows to present value. The discount rates used were between 13% and 14%. The projected cash flows were based on key assumptions such as: estimates of revenues and operating profits related to each program or platform considering its stage of development on the acquisition date; the time and resources needed to complete the development and approval of product candidates; the life of the potential commercialized products and associated risks, including the inherent difficulties and uncertainties in developing a product candidate such as obtaining marketing approval from the FDA and other regulatory agencies; and risks related to the viability of and potential alternative treatments in any future target markets.

Intangible assets associated with acquired IPR&D relate to the RAS programs. Management determined that the estimated acquisition-date fair value of the intangible asset related to IPR&D was \$55.8 million, which was comprised of \$44.1 million related to the KRAS<sup>G12C</sup> program and \$11.7 million related to the KRAS<sup>G12D</sup> program. The KRAS<sup>G12C</sup> and KRAS<sup>G12D</sup> programs are each focused on developing inhibitors which target specific mutations of KRAS(ON) proteins. The acquired IPR&D is considered to be an indefinite-lived asset until the completion or abandonment of the research and development efforts. The acquired IPR&D will not be amortized until completion of the related products which is determined by when the underlying programs reach technological

# Revolution Medicines, Inc.

## Notes to unaudited pro forma condensed combined statement of operations

feasibility and commence commercial production. Upon completion, the acquired IPR&D will be amortized over its useful life.

The valuation of the developed technology—tri-complex platform was based on a replacement cost approach as the Company's management intends to leverage the platform internally, but does not have the ability to assign a specific income stream to the asset. The tri-complex platform was accounted for as developed technology and is being amortized over 7 years.

The genome mining platform, including the associated Roche collaboration agreement, was accounted for as held for sale developed technology and was divested in January 2019.

The Company assumed a convertible promissory note of \$2.0 million as part of the acquisition. Subsequent to the acquisition, at the Company's election, the convertible promissory note was converted into 975,620 shares of Series B redeemable convertible preferred stock.

The Company recorded \$14.6 million in goodwill associated with this acquisition, which relates to the establishment of a deferred tax liability for the non-deductible in-process research and development intangible assets acquired and synergies resulting from the acquisition. Goodwill will not be amortized but will be tested at least annually for impairment. Goodwill recognized in the acquisition is not expected to be deductible for tax purposes.

### Note 3. Pro forma adjustments

This note should be read in conjunction with "Note 1. Description of transaction and basis of presentation" and "Note 2. Purchase price consideration and allocation." Adjustments included in the column under the heading "Pro Forma Adjustments" represent the following:

- (a) The unaudited pro forma condensed combined statement of operations gives consideration to the impact of the genome mining platform disposition. In January 2019, the Company sold the genome mining platform and related Roche collaboration agreement acquired during the Warp Drive acquisition to Gingko Bioworks (Gingko). The adjustments reflect the elimination of the historical operating results of the genome mining platform for the year ended December 31, 2018 at the amounts that have been reflected in the Company's and Warp Drive's statements of operations for this period. These amounts are based on the best available information and certain assumptions that the Company's management believe are reasonable, such as allocated resources. These amounts do not include allocations of corporate overhead expenses included in general and administrative expenses.
- (b) Effective January 1, 2018, the Company adopted ASC 606. Warp Drive's revenue recognition policy was in accordance with ASC 605. The Company evaluated the impact of aligning the revenue recognition policy for collaboration revenue, related party for Warp Drive to ASC 606 and determined the impact was not material.

# Revolution Medicines, Inc.

## Notes to unaudited pro forma condensed combined statement of operations

(c) To record amortization expense associated with the acquired intangible assets (in thousands, except for estimated useful life).

Intangible asset	Fair value	Estimated useful life	Amortization for the period from January 1, 2018 to October 23, 2018	Line item in statement of operations
Developed technology—tri-complex platform	\$ 7,480	7 years	\$ 867	Research and development

(d) To eliminate transaction costs of \$1.0 million that have been incurred by the Company and Warp Drive related to the Warp Drive acquisition included in general and administrative expenses.

(e) To eliminate historical depreciation expense and recognize new depreciation expense based on the fair value of property and equipment and the estimated remaining useful lives of assets acquired. Depreciation is calculated on a straight-line basis.

Property and equipment	Depreciation for the period from January 1, 2018 to October 23, 2018 (in thousands)	Line item in statement of operations
Elimination of historical depreciation expense for acquired property and equipment	(744)	Research and development
Depreciation expense for acquired property and equipment	376	Research and development
<b>Total depreciation expense adjustment</b>	<b>(368)</b>	

(f) To eliminate interest expense of \$1.1 million and gain on the restructuring of debt of \$5.1 million related to Warp Drive's convertible note payable, which was converted into Warp Drive common stock immediately prior to the acquisition and subsequently converted into the Company's Series B redeemable convertible preferred stock in connection with the acquisition.

(g) To eliminate severance costs of \$1.4 million of certain Warp Drive employees recorded in the Company's historical financial statements as a non-recurring charge directly related to the acquisition.

Line item in statement of operations	Severance costs (in thousands)
Research and development	799
General and administrative	648
<b>Total severance costs</b>	<b>1,447</b>

(h) No pro forma adjustments have been made to the provision for income taxes as both the Company and Warp Drive have no provision for income taxes for the respective periods presented due to full valuation allowances.

(i) To record the redeemable convertible preferred stock dividends—undeclared and cumulative on Series B redeemable convertible preferred stock issued in connection with the acquisition as if the acquisition occurred on January 1, 2018.

# Management's discussion and analysis of financial condition and results of operations

*You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the consolidated financial statements and the related notes included elsewhere in this prospectus. In addition to historical financial information, this discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk factors" and elsewhere in this prospectus.*

## Overview

We are a clinical-stage precision oncology company focused on developing novel targeted therapies to inhibit elusive, high-value *frontier* targets within notorious growth and survival pathways, with particular emphasis on the RAS and mTOR signaling pathways. Our understanding of genetic drivers and adaptive resistance mechanisms in cancer, coupled with robust drug discovery and medicinal chemistry capabilities, has guided us to establish a deep pipeline targeting critical signaling nodes within these pathways. This cohesive approach underpins our clinical strategy of exploring mechanism-based dosing paradigms and in-pathway combinations to optimize treatment for cancer patients.

Our most advanced product candidate, RMC-4630, is a potent and selective inhibitor of SHP2, a central node in the RAS signaling pathway. In collaboration with Sanofi, we are evaluating RMC-4630 in a multi-cohort Phase 1/2 clinical program, with clinical activity data in selected patient cohorts expected in 2020. Leveraging our proprietary tri-complex technology platform, we are also developing a portfolio of mutant-selective RAS inhibitors that we believe are the first potent, selective, cell-active inhibitors of the active, GTP-bound form of RAS, or RAS(ON). Initially, we will prioritize four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. Our pipeline also includes inhibitors of other key nodes within the RAS and mTOR signaling pathways, such as SOS1 and mTORC1. We believe our deep, differentiated pipeline and development strategies provide us with the opportunity to pioneer novel treatment regimens to maximize the depth and durability of clinical benefit and circumvent adaptive resistance mechanisms for patients with cancers dependent on these critical pathways.

In addition, we have two preclinical programs targeting other key nodes in the RAS and mTOR signaling pathways. Our program targeting SOS1, a protein that plays a key role in converting RAS(OFF) to RAS(ON) in cells, is currently in lead generation stage. In addition, our preclinical development candidate, RMC-5552, is designed to selectively and deeply inhibit mTORC1, thereby preventing phosphorylation and inactivation of 4EBP1, a downstream protein in the mTOR signaling pathway that normally suppresses expression of certain oncogenes such as C-MYC. We advanced RMC-5552 into IND-enabling development in June 2019.

We have incurred net losses in each year since inception in 2014. Our net losses were \$31.1 million and \$41.8 million for the years ended December 31, 2017 and 2018, respectively. As of December 31, 2018, we had an accumulated deficit of \$109.7 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the next several years. We expect our expenses will increase in connection with our ongoing activities, as we:

- continue our platform research and drug discovery efforts to identify product candidates;
- advance product candidates through preclinical programs and clinical trials;

- manufacture supplies for our preclinical studies and clinical trials;
- pursue regulatory approval of product candidates;
- operate as a public company following completion of this offering;
- maintain, protect and expand our portfolio of intellectual property rights, including patents, trade secrets and know-how; and
- hire additional personnel to support our development programs and secure additional facilities to support our operations.

### **Collaboration agreement with Sanofi**

In June 2018, we entered into a collaborative research, development and commercialization agreement with Aventis, Inc. (an affiliate of Sanofi), or the Sanofi Agreement, to research and develop SHP2 inhibitors, including RMC-4630, for any indications. The Sanofi Agreement was assigned to Genzyme Corporation, a Sanofi affiliate, in December 2018. For the purposes of this discussion, we refer to Genzyme Corporation as Sanofi. Pursuant to the Sanofi Agreement, we granted Sanofi a worldwide, exclusive, sublicenseable (subject to our consent in certain circumstances) license under certain of our patents and know-how to research, develop, manufacture, use, sell, offer for sale, import and otherwise commercialize SHP2 inhibitors, including RMC-4630, for any and all uses, subject to our exercise of rights and performance of obligations under the Sanofi Agreement. Such intellectual property exclusively licensed to Sanofi includes our interest under any of our solely-owned or jointly-owned inventions arising out of activities undertaken pursuant to the development of SHP2 inhibitor product candidates under the Sanofi Agreement.

Under the Sanofi Agreement, we have primary responsibility for performing preclinical research on SHP2 inhibitors, pursuant to an initial research plan and budget directed toward the identification, validation and optimization of SHP2 inhibitors for 2018-2020. The research plan and budget beyond 2020 will be determined by a joint research and development committee, over which Sanofi has final decision-making power subject to certain exceptions. We have primary responsibility for early clinical development of RMC-4630 pursuant to an initial development plan. The joint research and development committee is responsible for preparing development plans for other SHP2 inhibitors approved by such committee for development, if any. Sanofi is responsible for 80% of all internal and external research costs and expenses incurred under the research plan for 2019 and 2020, and for all other internal and external costs and expenses incurred to perform activities under the research and development plans. We are responsible for 20% of all internal and external research costs incurred under the research plan for 2019 and 2020, in which our share of these costs is estimated to be approximately \$2 million in total, representing less than three percent of the anticipated overall budget for the SHP2 program in 2019 and 2020. Sanofi is responsible for all costs under the development plan, and since our SHP2 program is in clinical development, the costs under the development plan are expected to be significantly greater than the costs under the research plan. We are responsible for the manufacture of SHP2 inhibitors for Phase 1 and non-registrational Phase 2 clinical trials at Sanofi's cost, while Sanofi is responsible for manufacturing SHP2 inhibitors for all other clinical trials and commercial supply. Sanofi has the sole right and responsibility to perform all regulatory activities under the Sanofi Agreement, except with respect to certain trials conducted by us or otherwise conducted under our IND, including our current clinical trials evaluating RMC-4630. Once we have completed all clinical trials for a product candidate that are assigned to us under a development plan, all regulatory approvals for such product candidate are automatically assigned to Sanofi. Unless otherwise delegated to us by the joint commercialization committee, Sanofi also has the sole right and responsibility for all aspects of the commercialization of SHP2 inhibitors in the world for any and all uses, at its expense, subject to our right to elect to co-promote SHP2 inhibitors in the United States. Sanofi is obligated to use commercially reasonable efforts to seek marketing approval for at least one

SHP2 inhibitor product candidate in certain major market countries. Sanofi agrees to provide us, and we agree to provide Sanofi, with research, development and commercialization updates through the joint committees.

Pursuant to the Sanofi Agreement, we received an upfront payment of \$50 million from Sanofi in July 2018. Upon the achievement of specified development and regulatory milestones, Sanofi will be obligated to pay us up to \$520 million in the aggregate, including up to \$235 million upon the achievement of specified development milestones and up to \$285 million upon achievement of certain marketing approval milestones. In the United States, we will share equally with Sanofi the profits and losses applicable to commercialization of SHP2 inhibitor products, pursuant to a profit/loss share agreement that the parties will negotiate based on key terms agreed in the Sanofi Agreement. On a product-by-product basis, Sanofi will also be required to pay us tiered royalties on annual net sales of each product outside the United States ranging from high single digit to mid-teen percentages. The royalty payments are subject to reduction under specified conditions set forth in the Sanofi Agreement. Subject to certain exceptions, the royalties are payable on a product-by-product and country-by-country basis until the latest of the expiration of all valid claims covering such product in such country contained in the patents licensed to Sanofi under the Sanofi Agreement and the expiration of regulatory exclusivity for such product in such country.

Sanofi has the sole and exclusive right to file, prosecute and maintain any patents licensed to it pursuant to the Sanofi Agreement, as well as to enforce infringement of or defend claims against such patents that relate to SHP2 inhibitor products.

Unless terminated earlier, the Sanofi Agreement will continue in effect until the later of the expiration of all of Sanofi's milestone and royalty payment obligations and the expiration of the profit/loss share agreement. Upon expiration of the Sanofi Agreement, the licenses granted to Sanofi thereunder shall become fully paid-up, royalty-free, perpetual and irrevocable. Sanofi may terminate the Sanofi Agreement in its entirety or on a country-by-country or product-by-product basis for any reason or for significant safety concerns, upon prior notice to us within certain specified time periods. Sanofi may terminate the Sanofi Agreement in its entirety upon our change of control, with prior notice. Either party may terminate the Sanofi Agreement if an undisputed material breach by the other party is not cured within a defined period of time, or immediately upon notice for insolvency-related events of the other party. We may terminate the Sanofi Agreement after a certain number of years if Sanofi develops a competing program without commencing a registrational clinical trial for a SHP2 inhibitor product candidate, and subject to certain other conditions. We may also terminate the Sanofi Agreement at any time, if Sanofi ceases certain critical activities for SHP2 inhibitor product candidates for more than a specified period of time, provided that such cessations of critical activity were not a result of certain specified factors, and subject to certain other conditions. Upon any termination of the Sanofi Agreement with respect to any product or country, all licenses to Sanofi with respect to such product or country shall automatically terminate and all rights generally revert back to us. If the Sanofi Agreement is terminated, in its entirety or with respect to a product, other than by us for Sanofi's material breach or insolvency, we may be required to pay Sanofi royalties on worldwide net sales of reverted products up to mid-single digit percentages based on the development and regulatory status of such reverted products, in each case subject to reductions in accordance with the terms of the Sanofi Agreement.

Through December 31, 2018, we have received an aggregate of \$57.4 million from Sanofi, including the upfront payment and research and development expense reimbursements.

## **Acquisition of Warp Drive**

In October 2018, we acquired all outstanding shares of Warp Drive Bio, Inc., or Warp Drive. In connection with the acquisition, we issued 33,079,554 shares of our Series B preferred stock and \$0.9 million in other consideration, for total consideration valued at \$69.0 million. The operating results associated with Warp Drive

programs are reflected in our consolidated financial statements beginning on the closing date of the transaction.

In connection with the Warp Drive acquisition, we recorded \$55.8 million of in-process research and development, or IPR&D, and \$13.6 million of developed technology related to the tri-complex and genome mining platforms. Warp Drive's RAS programs were accounted for as an IPR&D asset. The IPR&D asset is considered to be an indefinite-lived asset until the completion or abandonment of the associated research and development efforts. Warp Drive's tri-complex development platform was accounted for as developed technology and is being amortized over seven years. Warp Drive's genome mining platform was accounted for as held for sale developed technology and was divested in January 2019 when we sold this genome mining platform to Ginkgo Bioworks, Inc., or Ginkgo.

In addition, we recorded \$14.6 million in goodwill associated with the Warp Drive acquisition, which largely relates to the establishment of a deferred tax liability for the non-deductible IPR&D intangible assets acquired. Goodwill will not be amortized. Goodwill and IPR&D will be tested at least annually for impairment. No impairment has been recognized as of December 31, 2018.

## **Components of results of operations**

### ***Collaboration revenue***

Collaboration revenue, related party, consists of revenue under the Sanofi Agreement for our SHP2 program. We entered into the Sanofi Agreement in June 2018 and Sanofi subsequently became a related party in October 2018 as it was a stockholder of Warp Drive to which we issued equity in connection with the acquisition. We received a \$50.0 million upfront payment from Sanofi in July 2018, receive reimbursement for research and development services, and are entitled to future potential development and regulatory milestones.

Collaboration revenue, other, consists of revenue under our collaboration agreement with F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc. that we became a party to in October 2018 as part of the Warp Drive acquisition. This collaboration agreement was divested to Ginkgo in January 2019.

For further information on our revenue recognition policies, see the section titled "Critical accounting policies, significant judgments, and use of estimates—Revenue recognition."

### ***Research and development expenses***

We substantially rely on third parties to conduct our preclinical studies, clinical trials and manufacturing. We estimate research and development expenses based on estimates of services performed, and rely on third party contractors and vendors to provide us with timely and accurate estimates of expenses of services performed to assist us in these estimates. Research and development expenses consist primarily of costs incurred for the development of our product candidates and costs associated with identifying compounds through our discovery platform, which include:

- expenses incurred under agreements with third-party contract organizations, investigative clinical trial sites that conduct research and development activities on our behalf, and consultants;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of discovery programs, preclinical and clinical trials;
- employee-related expenses, which include salaries, benefits and stock-based compensation; and
- facilities and other expenses, which include allocated expenses for rent and maintenance of facilities, depreciation and amortization expense, information technology and other supplies.

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We expense all research and development costs in the periods in which they are incurred. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors, collaborators and third-party service providers. Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and recorded as prepaid assets. The prepaid amounts are then expensed as the related goods are delivered or as services are performed.

Under the Sanofi Agreement, all of our RMC-4630 research and development expenses incurred from June 2018 to December 2018 have been reimbursed by Sanofi. These reimbursements from Sanofi are recorded as collaboration revenue. We are responsible for early non-registrational clinical trials and Sanofi is responsible for conducting registrational clinical trials.

We expect our research and development expenses to increase substantially for the foreseeable future as we continue to invest in discovering and developing product candidates and advancing product candidates into later stages of development, which may include conducting larger clinical trials. The process of conducting the necessary research and development and clinical trials to seek regulatory approval for product candidates is costly and time-consuming, and the successful development of our product candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or clinical trials or if and to what extent we will generate revenue from the commercialization and sale of any of our product candidates.

### ***General and administrative expenses***

General and administrative expenses consist primarily of personnel-related costs, consultants and professional services expenses, including legal, audit, accounting and human resources services, allocated facilities and information technology costs, and other general operating expenses not otherwise classified as research and development expenses. Personnel-related costs consist of salaries, benefits and stock-based compensation. Facilities costs consist of rent, utilities and maintenance of facilities. We expect our general and administrative expenses to increase for the foreseeable future due to anticipated increases in headcount and as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the Securities and Exchange Commission, the Nasdaq Global Market, additional insurance expenses, investor relations activities and other administrative and professional services.

### ***Interest income***

Interest income primarily consists of interest earned on our cash equivalents.

### ***Interest and other expense***

Interest and other expense primarily consists of interest related to our capital lease and interest on other outstanding obligations.

### ***Change in fair value of redeemable convertible preferred stock liability***

Our March 2018 issuance and sale of Series B redeemable convertible preferred stock was tranching into two funding dates, a first closing in March 2018, and a second closing to purchase additional shares in June 2018. We classified the obligation for the future purchase of additional shares under the second closing as a liability on our consolidated balance sheets as the obligation met the definition of a freestanding financial instrument. This redeemable convertible preferred stock tranche liability was initially recorded at fair value upon the date of issuance and was subsequently remeasured to fair value at each reporting date. Changes in the fair value of

the redeemable convertible preferred stock liability were recognized in the consolidated statements of operations and comprehensive loss until the obligation for the second tranche was fulfilled upon the second closing date in June 2018.

### Comparison of the results for the years ended December 31, 2017 and 2018

	Year ended December 31,		Increase / (decrease)
	2017	2018	
	(in thousands)		
<b>Revenue:</b>			
Collaboration revenue, related party	\$ —	\$ 19,420	\$ 19,420
Collaboration revenue, other	—	745	745
Total revenue	—	20,165	20,165
<b>Operating expenses:</b>			
Research and development	26,586	51,084	24,498
General and administrative	4,543	9,410	4,867
Total operating expenses	31,129	60,494	29,365
Loss from operations	(31,129)	(40,329)	(9,200)
<b>Other income (expense), net:</b>			
Interest income	105	777	672
Interest and other expense	(103)	(116)	(13)
Change in fair value of redeemable convertible preferred stock liability	—	(2,121)	(2,121)
Total other income (expense), net	2	(1,460)	(1,462)
Net loss and comprehensive loss	\$ (31,127)	\$ (41,789)	\$ (10,662)

#### Collaboration revenue

Collaboration revenue, related party consists of revenue under the Sanofi Agreement, which was entered into in June 2018. Collaboration revenue, related party for the years ended December 31, 2017 and 2018 was zero and \$19.4 million, respectively. Cash received from Sanofi during the years ended December 31, 2017 and 2018 was zero and \$57.4 million, respectively. Revenue is recognized based on actual costs incurred relative to total estimated costs expected to fulfill the performance obligation. Accordingly, the timing of revenue recognition is not directly correlated to the timing of cash receipts.

#### Research and development expenses

Research and development expenses increased by \$24.5 million, or 92%, during the year ended December 31, 2018 compared to the same period in 2017. The increase in research and development expenses in 2018 was primarily due to a \$6.7 million increase in salaries and other employee-related expenses due to increased headcount to support our research and development programs; a \$6.3 million increase in third party expenses for our SHP2 program, which advanced into a Phase 1 clinical trial in the third quarter of 2018; a \$4.2 million increase in facilities and other allocated expenses as a result of higher rent, lab supplies, utilities and information technology expenses associated with higher headcount in 2018; a \$3.4 million increase in third party expenses for our 4EBP1/mTORC1 program due to advancing the program into the lead optimization phase in 2018, which included increased pharmacology, chemistry CROs, and preliminary safety assessment costs; a

\$3.1 million increase in third party expenses related to our discovery programs; and a \$0.5 million increase in stock-based compensation expense.

We expect total research and development expenses to increase in 2019 relative to 2018 as we advance our RMC-4630, RMC-5552 and discovery programs.

#### ***General and administrative expenses***

General and administrative expenses increased by \$4.9 million, or 107%, during the year ended December 31, 2018 compared to 2017. The increase was primarily due to an increase of personnel-related expenses of \$2.3 million related to higher headcount in 2018; an increase of \$2.3 million in legal, accounting and consulting expenses primarily due to business development transactions and increased intellectual property activities; and an increase of \$0.3 million in stock-based compensation expense. We anticipate general and administrative expenses to increase in 2019 as a result of preparing to become and becoming a public company.

#### ***Interest income***

Interest income increased by \$0.7 million during the year ended December 31, 2018 compared to 2017. The increase was primarily due to interest income earned from higher average investment balances resulting from the net proceeds from our Series B preferred stock financing and the upfront payment from Sanofi received in 2018.

#### ***Interest and other expense***

Interest and other expense was \$0.1 million for both the years ended December 31, 2018 and December 31, 2017.

#### ***Change in fair value of redeemable convertible preferred stock liability***

The liability associated with our Series B redeemable convertible preferred stock was remeasured to fair value at each reporting date until it was settled in June 2018, and we recognized the changes in the fair value in our consolidated statements of operations and comprehensive loss during the year ended December 31, 2018.

### **Liquidity and capital resources**

#### ***Liquidity***

Since our inception through December 31, 2018, our operations have been financed primarily by net proceeds of \$130.6 million from the issuance of our preferred stock and \$57.4 million in proceeds received under the Sanofi Agreement. As of December 31, 2018, we had \$69.6 million in cash and cash equivalents.

#### ***Future funding requirements***

As of December 31, 2018, we had an accumulated deficit of \$109.7 million. Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures related to our product candidates and our discovery programs, and to a lesser extent, general and administrative expenditures. We expect our expenses to continue to increase in connection with our ongoing activities, in particular as we continue to advance our product candidates and our discovery programs. In addition, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company.

Based upon our current operating plan, we believe that the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities will enable us to fund our planned operations for at

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least 12 months following the date of this offering. We have based this estimate on assumptions that may prove to be inaccurate, and we could utilize our available capital resources sooner than we currently expect.

The timing and amount of future funding requirements will depend on many factors, including:

- the scope, progress, results and costs of researching and developing our product candidates and programs, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for product candidates we develop if clinical trials are successful;
- the success of our collaboration with Sanofi, including the continued reimbursement by Sanofi of substantially all of our research costs and all of our development costs for the SHP2 program under the Sanofi Agreement;
- whether we achieve certain clinical and regulatory milestones under our collaboration agreement with Sanofi, each of which would trigger additional payments to us;
- the cost of commercialization activities for RMC-4630, to the extent not borne by Sanofi, and any other future product candidates we develop, whether alone or in collaboration, including marketing, sales and distribution costs if RMC-4630 or any other product candidate we develop is approved for sale;
- the cost of manufacturing our current and future product candidates for clinical trials in preparation for marketing approval and in preparation for commercialization;
- our ability to establish and maintain strategic licenses or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, profit share or royalties on, our future products, if any;
- the emergence of competing cancer therapies and other adverse market developments; and
- any plans to acquire or in-license other programs or technologies.

We expect to need to obtain substantial additional funding in the future for our research and development activities and continuing operations. Sanofi reimburses us for almost all of our research and development expenses associated with our SHP2 program, however Sanofi has the right to terminate the Sanofi Agreement for any reason, upon prior notice to us within certain specified time periods and upon any such termination by Sanofi with respect to any product or country, all licenses to Sanofi with respect to such product or country shall automatically terminate and all rights generally revert back to us. If we need to raise additional capital to fund our operations, funding may not be available to us on acceptable terms, or at all. If we are unable to obtain adequate financing when needed, we may have to delay, reduce the scope of or suspend one or more of our clinical trials, research and development programs or commercialization efforts. We may seek to raise any necessary additional capital through a combination of public or private equity offerings, debt financings and collaborations or licensing arrangements. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to raise capital, we may need to delay, reduce or terminate planned activities to reduce costs. Doing so will likely harm our ability to execute our business plans.

## Cash flows

The following table summarizes our consolidated cash flows for the periods indicated:

	Year ended December 31,	
	2017	2018
	(in thousands)	
Cash provided by (used in) operating activities	\$ (25,148)	\$ 1,213
Cash used in investing activities	(1,575)	(1,339)
Cash provided by financing activities	22,662	60,847
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (4,061)	\$ 60,721

### ***Cash provided by (used in) operating activities***

During 2018, cash provided by operating activities of \$1.2 million was attributable to a net change of \$38.1 million in our operating assets and liabilities and \$4.9 million in non-cash charges, partially offset by a net loss of \$41.8 million. The non-cash charges consisted of depreciation and amortization of \$1.8 million, stock-based compensation expense of \$0.9 million, a change in the fair value of our redeemable convertible preferred stock liability of \$2.1 million, and a loss on disposal of property and equipment of \$0.2 million. The change in operating assets and liabilities was primarily due to a \$44.5 million increase in deferred revenue associated with the Sanofi Agreement, a \$2.0 million increase in accounts payable and accrued liabilities resulting from increases in spend for research and development, offset by a \$7.3 million increase in receivables from a related party resulting from our Sanofi agreement and a \$0.9 million increase in prepaid expenses and other current assets resulting from the timing of prepayments made for research and development activities.

During 2017, cash used in operating activities of \$25.1 million was attributable to a net loss of \$31.1 million, partially offset by \$1.3 million in non-cash charges and a net change of \$4.7 million in our operating assets and liabilities. The non-cash charges consisted of depreciation and amortization of \$1.2 million and stock-based compensation expense of \$0.1 million. The change in operating assets and liabilities was primarily due to a \$4.0 million increase in accounts payable and accrued liabilities resulting from increases in spend for research and development, and a \$0.6 million decrease in prepaid expenses and other current assets resulting from the timing of prepayments made for research and development activities.

### ***Cash used in investing activities***

During 2018 and 2017, cash used in investing activities of \$1.3 million and \$1.6 million, respectively, was comprised primarily of purchases of property and equipment.

### ***Cash provided by financing activities***

During 2018, cash provided by financing activities of \$60.8 million was comprised primarily of \$60.6 million in net cash proceeds received from the issuances of our Series B redeemable convertible preferred stock, \$0.4 million in proceeds from the issuance of common stock upon the exercise of stock options, offset by \$0.1 million in repurchases of early exercised stock options.

During 2017, cash provided by financing activities of \$22.7 million was comprised primarily of \$22.6 million in net cash proceeds received from the issuances of our Series A preferred stock, and \$0.1 million in proceeds from the issuance of common stock upon the exercise of stock options.

## Contractual obligations and commitments

The following table summarizes our commitments and contractual obligations as of December 31, 2018:

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Operating lease obligations	\$15,881	\$ 3,557	\$ 7,435	\$ 4,889	\$ –
Capital lease obligations	328	157	171	–	–
Total contractual obligations	\$16,209	\$ 3,714	\$ 7,606	\$ 4,889	\$ –

Our operating lease obligations reflect our minimum payments due for office and laboratory space leases in Redwood City, California and Cambridge, Massachusetts and our equipment leases. Our primary Redwood City lease commenced in January 2015 and ends in April 2023. As part of the Warp Drive acquisition, we assumed Warp Drive's office and laboratory space lease in Cambridge, which ends in February 2023. In March 2019, we fully subleased the Cambridge lease to Casma Therapeutics, Inc., or Casma, on financial terms substantially the same as the original lease. The amounts reflected in the table above include our lease payments for the Cambridge lease, but do not reflect any offset for the sublease payments we are entitled to receive from Casma. The sublease by Casma and related sublease payments by Casma to us are fully guaranteed by Third Rock Ventures, LLC.

We enter into agreements in the normal course of business with contract research organizations for clinical trials, contract manufacturing organizations to provide clinical trial materials and with vendors for preclinical studies and other services and products for operating purposes which are generally cancelable at any time by us upon 30 to 90 days prior written notice. These payments are not included in this table of contractual obligations.

### Off-balance sheet arrangements

We have not entered into any off-balance sheet arrangements, as defined in Item 303 of Regulation S-K.

### Indemnification agreements

We enter into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, we indemnify, hold harmless and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The maximum potential amount of future payments we could be required to make under these arrangements is not determinable. We have never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, we believe the fair value of these agreements is minimal.

### Qualitative and quantitative disclosures about market risk

#### Interest rate risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. The primary objective of our investment activities is to preserve capital to fund our operations. We also seek to maximize income from our investments without assuming significant risk. To

achieve our objectives, we maintain a portfolio of investments in a variety of securities of high credit quality and short-term duration, invested in compliance with our policy.

We held cash and cash equivalents of \$69.6 million as of December 31, 2018 which consist of bank deposits and money market funds. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations in interest income have not been significant for us. Due to the short-term maturities of our cash equivalents, an immediate one percent change in interest rates would not have a material effect on the fair value of our cash equivalents.

#### **Foreign currency risk**

Our expenses are generally denominated in U.S. dollars. However, we have entered into a limited number of contracts with vendors for research and development services with payments denominated in foreign currencies, including the Euro and Chinese Yuan. We are subject to foreign currency transaction gains or losses on our contracts denominated in foreign currencies. To date, foreign currency transaction gains and losses have not been material to our consolidated financial statements, and we have not had a formal hedging program with respect to foreign currency. A 10% increase or decrease in current exchange rates would not have a material effect on our financial results.

#### **Critical accounting policies, significant judgments, and use of estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

#### **Revenue recognition**

Effective January 1, 2018, we adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606) using the full retrospective transition method. We did not have any effective contracts within the scope of this guidance prior to January 1, 2018, and the adoption of ASC 606 had no impact on our consolidated financial statements. Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which such entity expects to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under arrangements, we perform the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies the performance obligation. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

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We enter into collaboration agreements under which we may obtain upfront license fees, research and development funding, and development, regulatory and commercial milestone payments and royalty payments. Our performance obligations under these arrangements may include licenses of intellectual property, sales and distribution rights, research and development services, delivery of manufactured product and/or participation on joint steering committees.

*Licenses of intellectual property:* If the license to the our intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, we recognize revenue from upfront license fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. For licenses that are bundled with other promises, we utilize judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring proportional performance for purposes of recognizing revenue from non-refundable, upfront fees. We evaluate the measure of proportional performance each reporting period and, if necessary, adjust the measure of performance and related revenue recognition.

*Research, development and regulatory milestone payments:* At the inception of each arrangement that includes research, development, or regulatory milestone payments, we evaluate whether the milestones are considered probable of being reached and estimate the amount to be included in the transaction price. We use the most likely amount method for research, development and regulatory milestone payments. Under the most likely amount method, an entity considers the single most likely amount in a range of possible consideration amounts. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price.

*Sales-based milestones and royalties:* For arrangements that include sales-based milestone or royalty payments based on the level of sales, and in which the license is deemed to be the predominant item to which the sales-based milestone or royalties relate to, we recognize revenue in the period in which the sales-based milestone is achieved and in the period in which the sales associated with the royalty occur. To date, we have not recognized any or sales-based milestone or royalty revenue resulting from our collaboration arrangements.

The transaction price for each collaboration agreement is determined based on the amount of consideration we expect to be entitled for satisfying all performance obligations within the agreement. Significant judgment may be required in determining the amount of variable consideration to be included in the transaction price. We use the most likely amount method to determine variable consideration and will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

Revenue is recognized based on actual costs incurred as a percentage of total estimated costs to be incurred over the performance obligation as we fulfill our performance obligations. A cost-based input method of revenue recognition requires management to make estimates of costs to complete our performance obligations. In making such estimates, significant judgment is required to evaluate assumptions related to cost estimates. The cumulative effect of revisions to estimated costs to fulfill our performance obligations will be recorded in the period in which changes are identified and amounts can be reasonably estimated.

### **Business combinations**

Accounting for business combinations requires us to make significant estimates and assumptions, especially at the acquisition date with respect to tangible and intangible assets acquired and liabilities assumed and pre-acquisition contingencies. We use our best estimates and assumptions to accurately assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date as well as the useful lives of those acquired intangible assets. Examples of critical estimates in valuing certain of the intangible

assets we have acquired include but are not limited to developed technologies and in-process research and development. Our estimates may also impact our deferred income tax assets and liabilities. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

#### **Accrued research and development expenses**

We record accrued expenses for estimated preclinical study and clinical trial expenses. Estimates are based on the services performed pursuant to contracts with research institutions and contract research organizations and clinical manufacturing organizations that conduct and manage preclinical studies and clinical trials on our behalf based on actual time and expenses incurred by them. Further, we accrue expenses related to clinical trials based on the level of patient enrollment and activity according to the related agreement. We monitor patient enrollment levels and related activity to the extent reasonably possible and make judgments and estimates in determining the accrued balance in each reporting period. If we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. To date, we have not experienced significant changes in our estimates of preclinical studies and clinical trial accruals.

#### **Stock-based compensation**

We maintain an equity incentive plan as a long-term incentive for employees, consultants and members of our board of directors. The plan allows for the issuance of non-statutory options, or NSOs, incentive stock options to employees and NSOs to nonemployees.

Stock-based compensation is measured using estimated grant date fair value and recognized as compensation expense over the service period in which the awards are expected to vest. We estimate the grant date fair value, and the resulting stock-based compensation, using the Black-Scholes option-pricing model, and we use the straight-line method for expense attribution. The fair-value-based measurements of options granted to nonemployees are remeasured at each period end until the options vest and are amortized to expense as earned. The valuation model used for calculating the estimated fair value of stock awards is the Black-Scholes option-pricing model. The Black-Scholes model requires us to make assumptions and judgments about the variables used in the calculations, including the expected term (weighted-average period of time that the options granted are expected to be outstanding), the expected volatility of our common stock, the related risk-free interest rate and the expected dividend. We have elected to recognize forfeitures of stock-based awards as they occur.

The Black-Scholes option-pricing model requires the use of highly subjective assumptions to determine the fair value of stock-based awards. These assumptions include:

- *Expected Term*—The expected term represents the weighted-average period the stock options are expected to remain outstanding and is based on the options' vesting terms, contractual terms and industry peers, as we did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.
- *Expected Volatility*—Since we have been privately held and do not have any trading history for our common stock, the expected volatility is estimated based on the average volatility for comparable publicly traded biotechnology companies over a period equal to the expected term of the stock option grants. The comparable companies are chosen based on their similar size, stage in the life cycle or area of specialty.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the option.

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- *Expected Dividend*—We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend yield of zero.

### *Common stock valuation*

Historically, for all periods prior to this initial public offering, the fair values of the shares of common stock underlying our stock-based awards were estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, valuations of our common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

For our valuations performed on or prior to December 31, 2018, we used the discounted cash flow model to estimate the value of equity, and allocated the equity value to the various classes of equity using an option pricing method, or OPM. The OPM uses option theory to value the various classes of a company's securities in light of their respective claims to the enterprise value.

Given the absence of a public trading market for our common stock, our board of directors exercised their judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including important developments in our operations, valuations performed by an independent third party, sales of preferred stock, actual operating results and financial performance, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of our common stock, among other factors. After the closing of this offering, our board of directors will determine the fair value of each share of underlying common stock based on the closing price of our common stock as reported on the date of the grant. Our board of directors intends all options granted to be exercisable at a price per share not less than the per share fair value of our common stock underlying those options on the grant date.

### **Emerging growth company status**

In April 2012, the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company," or an EGC, can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We early adopted ASC 606 as the JOBS Act does not preclude an EGC from early adopting a new or revised accounting standard earlier than the time that such standard applies to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early.

### **Recent accounting pronouncements**

See the sections titled "Summary of significant accounting policies—recently issued and adopted accounting Pronouncements" and "Recent accounting pronouncements not yet adopted" in Note 2 to our consolidated financial statements included elsewhere in this prospectus for additional information.

# Business

## Overview

We are a clinical-stage precision oncology company focused on developing novel targeted therapies to inhibit elusive, high-value *frontier* targets within notorious growth and survival pathways, with particular emphasis on the RAS and mTOR signaling pathways. We define *frontier* targets as proteins that play an important role in cancer and for which there is either: (1) no approved drug that directly **inhibits** it, or (2) one or more approved drugs that directly inhibit it but through a mechanism of action that may not enable **suppression of the full range of its biologic contributions to cancer**.

Our understanding of genetic drivers and adaptive resistance mechanisms in cancer, coupled with robust drug discovery and medicinal chemistry capabilities, has guided us to establish a deep pipeline targeting critical signaling nodes within these pathways. This cohesive approach underpins our clinical strategy of exploring mechanism-based dosing paradigms and in-pathway combinations to optimize treatment for cancer patients. Our most advanced product candidate, RMC-4630, is a potent and selective inhibitor of SHP2, based on preclinical evidence described in this prospectus. SHP2 is a central node in the RAS signaling pathway. In collaboration with Sanofi, we are evaluating RMC-4630 in a multi-cohort Phase 1/2 clinical program, with clinical activity data in selected patient cohorts expected in 2020. Leveraging our proprietary tri-complex technology platform, we are also developing a portfolio of mutant-selective RAS inhibitors that we believe are the first potent, selective, cell-active inhibitors of the active, GTP-bound form of RAS, or RAS(ON). Initially, we will prioritize four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. Our pipeline also includes inhibitors of other key nodes within the RAS and mTOR signaling pathways, such as SOS1 and mTORC1. Our pipeline includes one product candidate that is in clinical development and all of our other programs are in the preclinical stage. We believe our deep, differentiated pipeline and development strategies provide us with the opportunity to pioneer novel treatment regimens to maximize the depth and durability of clinical benefit and circumvent adaptive resistance mechanisms for patients with cancers dependent on these critical pathways.

The RAS and mTOR signaling cascades are among the most frequently exploited by human cancers, where mutations in key nodes in these pathways cause excessive or aberrant signaling and cell growth. For example, mutations in RAS proteins account for approximately 30% of all human cancers in the United States, many of which are fatal. According to the National Cancer Institute, KRAS protein mutations occur in up to 35% of lung, 45% of colon and 95% of pancreatic cancers. Cancers caused by RAS-pathway mutations exhibit a phenomenon called “oncogene addiction,” in which tumor cells become highly dependent on signaling through the RAS pathway to survive. The importance of the RAS pathway in cancer has led to the development of several targeted therapies that can profoundly inhibit tumor growth and cause regressions in some instances. However, cancer cells can eventually develop adaptive resistance, losing sensitivity to treatment by hijacking other cell signaling circuitry to circumvent the inhibition and restore RAS-dependent signaling. The need to overcome this resistance in treating RAS-dependent tumors has led to the use of combination regimens designed to inhibit the RAS signaling pathway at multiple nodes simultaneously in an attempt to prolong the depth and durability of clinical benefit.

Despite recent progress in targeted therapies, we believe there is a significant need and opportunity to further improve the treatment of certain cancers. We have built an innovation engine consisting of three complementary drivers that enable us to discover and develop targeted therapies for elusive, high-value *frontier* cancer targets within notorious growth and survival pathways:

- Deep **chemical biology and cancer pharmacology know-how**, including assays and proprietary tool compounds, to define the critical vulnerabilities of “frontier” RAS and mTOR pathway targets and associated signaling circuits in cancer cells;
- Sophisticated **structure-based drug discovery capabilities**, including proven **access to complex chemical space**, to create drug candidates tailored to unconventional binding sites on elusive cancer targets; and
- Astute **precision medicine approach**, embracing patient selection and innovative single agent and combination drug regimens, to translate our preclinical insights into clinical benefit for patients with genetically-defined cancers that are addicted to these pathways.

Focusing these drivers on a cohesive set of related disease targets provides biological, chemical and translational insights that can be leveraged to maximize the efficiency and effectiveness of our discovery and development efforts. We have built a portfolio of compounds that inhibit select signaling nodes within these pathways, including clinical targets that previously have been difficult or impossible to drug. We believe our current and future product candidates, when used in specialized dosing paradigms and rational in-pathway combinations, will have the potential to promote profound and sustainable clinical benefit, combat adaptive resistance mechanisms and, in some cases, supplant the current standard of care for patients with tumors driven by these pathways.

Our most advanced product candidate, RMC-4630, is a potent and selective inhibitor of SHP2, based on preclinical evidence described in this prospectus. SHP2 is a protein that plays a central role in modulating cell survival and growth by transmitting signals from upstream receptor tyrosine kinases, or RTKs, to RAS. In collaboration with Sanofi, we are evaluating RMC-4630 in a multi-cohort Phase 1/2 clinical program, which includes our ongoing Phase 1 trial of RMC-4630 as monotherapy in patients with tumors harboring genetically defined mutations in the RAS signaling pathway. Based on our own data, and supported by observations by others, we are evaluating intermittent dosing schedules in our clinical program to allow us to maximize dose intensity in order to achieve the greatest depth of response. We also plan to explore the potential clinical benefit of RMC-4630 in combination with other in-pathway agents such as MEK, RTK (initially epidermal growth factor receptor, or EGFR) and KRAS<sup>G12C</sup> inhibitors, as well as in combination with PD-1 inhibitors. We initiated the first such combination trial in July 2019, a Phase 1b/2 trial with Roche’s MEK inhibitor cobimetinib (marketed as COTELLIC). Although we are at an early stage of clinical testing and product candidate development, we believe RMC-4630 is well positioned to become the backbone of targeted therapy combinations for the treatment of various RAS-dependent tumors. Under our collaboration with Sanofi on our SHP2 program, we have a 50-50 profit share and a co-promote right in the United States and are eligible to receive royalties on net sales outside of the United States. Sanofi is responsible for reimbursing substantially all of our research costs and all of our development costs for the SHP2 program.

We are also developing a portfolio of what we believe to be the first potent, selective and cell-active inhibitors of mutant RAS(ON) proteins. Historically, direct inhibition of any RAS protein has been challenging due to a lack of tractable, or “druggable,” binding pockets. Recently, selective inhibitors of inactive, GDP-bound forms of RAS, or RAS(OFF), have demonstrated encouraging preliminary anti-tumor effects and thus provide clinical validation for targeting mutant RAS in cancer. Our small molecule inhibitors of mutant RAS(ON) are derived from our proprietary tri-complex technology platform, which enables us to target proteins lacking intrinsic drug binding sites by inducing new druggable pockets. Initially, we will prioritize four mutant RAS(ON)

targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. We plan to evaluate our RAS(ON) inhibitors alone and in combination with other drugs and investigational new drugs, particularly in-pathway agents. We believe that targeted inhibition of various oncogenic RAS(ON) mutants represents a highly differentiated approach for treating the large population of patients with diverse RAS mutations, including non-small cell lung cancer, or NSCLC, colorectal, pancreatic and other cancers.

We have two preclinical programs targeting other key nodes in the RAS and mTOR signaling pathways. Our program targeting SOS1, a protein that plays a key role in converting RAS(OFF) to RAS(ON) in cells, is currently in lead generation stage. In addition, our preclinical development candidate, RMC-5552, is designed to selectively and deeply inhibit mTORC1, thereby preventing phosphorylation and inactivation of 4EBP1, a downstream protein in the mTOR signaling pathway that normally suppresses expression of certain oncogenes such as C-MYC. We advanced RMC-5552 into IND-enabling development in June 2019.

Our management team has significant experience in oncology and in progressing products from early stage research to clinical trials, and ultimately to regulatory approval and commercialization. Dr. Steve Kelsey, our President of Research and Development, was previously President of Onkaido Therapeutics, a Moderna venture focused on oncology mRNA therapeutics, and has held senior positions at Medivation, Geron and Genentech, where he played a significant role in the development of Perjeta, Kadcyra and Erivedge. Our President and Chief Executive Officer, Dr. Mark Goldsmith, served as Chief Executive Officer of Constellation Pharmaceuticals, where he led the creation of its oncology pipeline and drove the development of a strategic alliance with Genentech. He also has led four other companies spanning early discovery through development, including Global Blood Therapeutics, where he led the discovery and early development of voxelotor. We are also supported by a leading syndicate of investors, which include our founding investor, Third Rock Ventures, and BVF, Casdin Capital, Cormorant, Deerfield, Fidelity, Nextech, Tavistock, The Column Group and Vivo Ventures.

Our company was founded and continues to be supported by three world-class scientific advisors: Dr. Kevan Shokat (Professor and Chair of the Department of Cellular and Molecular Pharmacology at University of California, San Francisco, Professor of Chemistry at the University of California, Berkeley and an investigator at the Howard Hughes Medical Institute), Dr. Martin Burke (Professor of Chemistry at the University of Illinois at Urbana-Champaign) and Dr. Michael Fischbach (Associate Professor in the Department of Bioengineering at Stanford University and a Stanford ChEM-H Institute Scholar). Dr. Shokat is widely recognized for his seminal contributions to the field of kinase biology, using chemistry, protein engineering and genetic tools to pioneer novel therapeutic approaches to target key signaling pathways in cancer. He led the discovery of the first KRAS<sup>G12C</sup>(OFF) inhibitor.

## Our strategy

Our goal is to develop novel targeted therapies to outsmart cancer for the benefit of patients. We plan to pursue the following strategies:

- **Deploy our innovation engine against frontier oncology targets.** We use our chemical biology and cancer pharmacology know-how, structure-based drug discovery capabilities, and precision medicine approach to discover and develop compounds designed to overcome the complex molecular circuitry of cancer. We focus on a cohesive set of genetically-defined targets in the RAS signaling pathway to create compounds that may be used alone and in combination with other targeted therapies. We evaluate in-pathway proprietary mechanism-based combination therapies and innovative dosing paradigms. Collectively, these are designed to maximize the depth and durability of clinical benefit and improve the lives of patients with cancer.
- **Establish our proprietary SHP2 inhibitor, RMC-4630, as the backbone of targeted therapy combinations for the treatment of RAS-dependent tumors.** As SHP2 is a convergent node within the oncogenic RAS-signaling

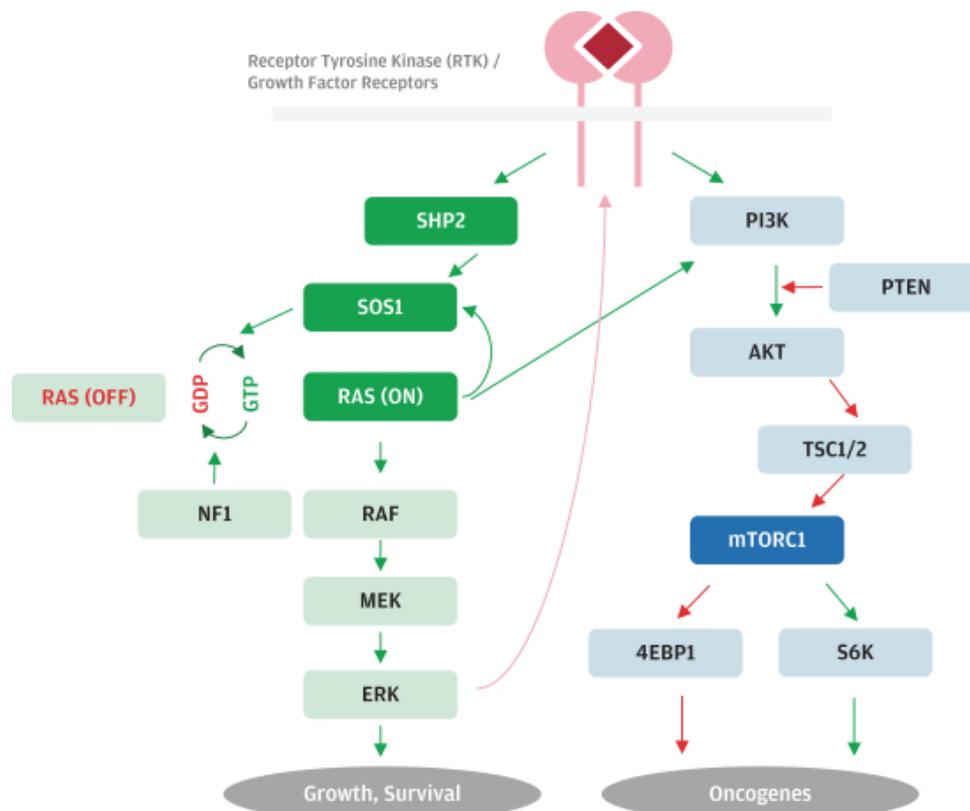
pathway, we plan to evaluate RMC-4630 in combination with other in-pathway agents targeting MEK, EGFR, and KRAS<sup>G12C</sup>. We have initiated a Phase 1b/2 trial of RMC-4630 with cobimetinib (a MEK inhibitor) and we plan to evaluate RMC-4630 in combination with osimertinib (an EGFR inhibitor). We also intend to study RMC-4630 in combination with a clinical-stage KRAS<sup>G12C</sup>(OFF) inhibitor and subsequently in combination with our proprietary KRAS<sup>G12C</sup>(ON) inhibitor once a clinical candidate has been selected for development. As many patients with tumors carrying mutations that are potentially SHP2-dependent are currently treated with immune checkpoint inhibitors, we also plan to study RMC-4630 in combination with a PD-1 inhibitor.

- **Pioneer mutant selective RAS(ON) inhibition across multiple genetically defined cancers.** There are dozens of RAS mutants that have been implicated as molecular drivers of cancer. We are developing a pipeline of small molecules targeting multiple oncogenic forms of RAS(ON) that are derived from our proprietary tri-complex technology platform. Initially, we will prioritize four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>—and expect to nominate our first development candidate in 2020. We plan to evaluate our RAS(ON) inhibitors alone and in combination with other drugs and investigational new drugs, particularly in-pathway agents. We believe that targeted inhibition of various oncogenic RAS(ON) mutants represents a highly differentiated approach for treating the large population of patients with diverse RAS mutations, including NSCLC, colorectal, pancreatic and other cancers.
- **Maximize the global value of our programs by continuing to execute synergistic and value-creating transactions.** We have the organizational capabilities and resources to enable us to continue to complete value-creating transactions, such as our collaboration with Sanofi on SHP2 and our acquisition of Warp Drive. In the future, we may enter into other collaborations where we believe there is an opportunity to accelerate the development and commercialization of our product candidates while allowing us to retain meaningful rights in major markets. We may also seek to acquire or in-license product candidates or technologies opportunistically that are synergistic with our drug discovery and development efforts.
- **Maintain our culture of tireless commitment to patients.** As we grow our business, we will continue to apply transformative science in the development of novel targeted therapies for patients suffering from cancers with limited therapeutic options. To accomplish this, we intend to continue building our team of qualified individuals who share our commitment to collaboration and scientific rigor in the development of novel therapies to outsmart cancer and improve the lives of patients.

## Our opportunity: unmet needs in cancers with driver mutations in notorious growth and survival pathways

### Background

The RAS and mTOR signaling cascades are among the most frequently exploited by human cancers. Cancer cells often carry mutations in proteins in these pathways that subvert normal cell growth and survival by causing excessive or aberrant signal transduction. These proteins can be directly or indirectly involved in signal transduction. For example, many tumors of different types exhibit excessive activation of the RAS signaling cascade as a result of mutations in RTKs, RAS, NF1 and/or RAF.



We have built a portfolio of compounds that inhibit select signaling nodes within the RAS and mTOR pathways. To date, our discovery and development efforts have focused on SHP2, RAS, SOS1 and mTORC1 (these targets are shaded dark green or blue in the figure above).

### SHP2

SHP2 is a protein tyrosine phosphatase that plays a critical role in the transduction of intracellular signals downstream of a wide variety of RTK growth factor receptors to promote cell survival and growth. SHP2 acts as a central signaling node that regulates growth signals within normal cells and, in certain circumstances, cancer

cells. Some mutant forms of RAS, such as KRAS<sup>G12C</sup> and KRAS<sup>G12A</sup>, exert their oncogenic effects by amplifying or exaggerating normal RTK-mediated growth signals transmitted via SHP2, and as a result they can be suppressed by inhibiting SHP2. There are other cancer-causing mutations that result in, or are dependent upon, activation of wild-type RAS and are likewise dependent on SHP2, including amplification of wild-type RAS or mutations in the gene encoding the GTPase-activating protein (GAP) neurofibromin 1 (NF1) which reduce activity of NF1 (so called NF1 loss-of-function or NF1<sup>LOF</sup>), and class 3 mutations in the downstream effector BRAF (BRAF<sup>Class3</sup>).

#### RAS

RAS proteins drive normal cell proliferation, differentiation and survival in response to growth factors acting through RTKs, and they can also be direct drivers of cancer. Normally RAS proteins cycle between an inactive form (RAS(OFF)), which is bound to GDP and unable to transmit signals, and an active conformation (RAS(ON)), which is induced upon binding GTP in response to growth factor receptor stimulation, causing it to become competent to interact physically with downstream effector proteins such as RAF. The magnitude of cell signals transmitted by the RAS activation cycle is proportional to the intracellular level of RAS(ON). In a healthy, normal cell RAS(ON) represents a small fraction of the total RAS pool within a cell. Signals arising from RTKs upstream of the RAS cycle act through SHP2 to promote the substitution of GTP for GDP in association with RAS, thereby increasing RAS(ON) levels. In cancers with abnormally elevated RTK activity, increased signaling via the RAS activation cycle is a major driver of tumor cell growth. Likewise, oncogenic mutations of RAS itself result in a significant slowing of the enzymatic conversion of RAS-bound GTP to GDP and thus drive cancer by raising RAS(ON) significantly above normal levels. In some cells harboring a KRAS<sup>G12C</sup> mutation, 80% or more of cellular KRAS<sup>G12C</sup> is in the GTP-bound state (RAS(ON)), representing a >15-fold increase compared to wild-type KRAS. As a general principle, RAS-dependent cancer cells exploit a high level of RAS(ON) for continued survival and growth.

#### SOS1

SOS1 is a member of a family of proteins that activate RAS. SOS1 directly activates RAS proteins by promoting the release of tightly bound GDP and facilitating the binding of GTP, which is present at a much higher intracellular concentrations than GDP, to generate RAS(ON). SOS1 itself is activated by RAS through the binding of RAS(ON) to an allosteric site on the SOS1 protein. As a result, there is a positive feedback loop between SOS1 and RAS that increases RAS signaling. The activation of RAS by SOS1 is 'processive'; that is, once a single molecule of SOS1 is activated it can sequentially activate multiple RAS molecules until it eventually becomes inactive.

#### 4EBP1/mTORC1

mTORC1 and mTORC2 are large protein complexes that share mTOR kinase but contain distinct additional components and cellular functions. mTORC1 is a critical regulator of metabolism, growth and proliferation within cells, including cancer cells. Two of the main substrates of mTORC1 are eukaryotic initiation factor 4E-binding protein 1 (4EBP1) and ribosomal S6 kinase (S6K). Under resting conditions non-phosphorylated 4EBP1 functions as a suppressor of the translation of proteins that are required for cell growth, proliferation and survival. Phosphorylation of 4EBP1 by activated mTORC1 inhibits this suppressive regulatory function and thereby upregulates translation of these proteins. One of the most important proteins regulated by 4EBP1 is the oncogenic protein C-MYC, which for many years has been thought to be central to cancer cell growth and survival. The abnormal activation of mTORC1, and subsequent inactivation of the tumor suppressor 4EBP1, is a mechanism that is frequently harnessed by cancer cells to gain a growth and proliferation advantage over

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normal cells. A number of upstream proteins in the mTOR signaling pathway that regulate mTORC1 activity are frequently mutated, or deleted, in cancer cells, resulting in increased activation of mTORC1 and upregulation of translation; these targets of mutation include PTEN, PI3 kinase (PI3K) and hamartin (TSC1) and tuberlin (TSC2).

### RAS mutant epidemiology in the United States

Mutations in RAS proteins account for approximately 30% of all human cancers in the United States, many of which are fatal. Diverse oncogenic RAS mutations in three different RAS isoforms (KRAS, NRAS and HRAS) drive distinct human cancers. KRAS mutations are commonly found in NSCLC and account for approximately 85% of RAS-mutant cancers. NRAS mutations are commonly found in melanoma and account for approximately 11% of RAS-mutant cancers. HRAS mutations are commonly found in bladder cancer and account for 4% of RAS-mutant cancers. The table below summarizes the frequency of RAS cancer mutations in the United States. There continues to be a high unmet medical need for patients bearing tumors with these mutations. We believe our programs, including our SHP2, RAS and SOS1 inhibitors, may be useful in addressing this unmet medical need.

*Projected number of new cases in 2019 in the United States (frequency % shown in parentheses below)*

Histotype	Projected total new cases in 2019 <sup>†</sup>	KRAS G12C <sup>‡</sup>	KRAS G12D <sup>‡</sup>	KRAS G13C <sup>‡</sup>	KRAS G12A <sup>‡</sup>	NRAS G12C <sup>‡</sup>	NF1 (LOF) <sup>‡</sup>	BRAF Class3 <sup>‡</sup>	KRAS Amp <sup>‡</sup>
NSCLC* all	194,000	21,340 (11)	7,760 (4)	1,940 (1)	3,880 (2)	-	11,640 (6)	1,940 (1)	7,760 (4)
NSCLC adeno only*	91,000	12,740 (14)	4,550 (5)	910 (1)	2,730 (3)	-	4,550 (5)	910 (1)	2,730 (3)
Colorectal	145,000	5,800 (4)	21,750 (15)	435 (0.3)	2,900 (2)	290 (0.2)	4,350 (3)	1,450 (1)	1,450 (1)
Pancreatic	56,000	1,120 (2)	19,600 (35)	56 (0.1)	280 (0.5)	-	560 (1)	168 (0.3)	1,680 (3)
AML*	21,000	84 (0.4)	210 (1)	-	210 (1)	210 (1)	630 (3)	42 (0.2)	21 (0.1)
Others	Uterine: 61k Melanoma: 96k	Uterine 610 (1)	Uterine 1,830 (3)	Uterine 244 (0.4)	Uterine 1,220 (2)	Melanoma 192 (0.2)	Melanoma 12,480 (13)	Melanoma 2,880 (3)	Uterine 1,830 (3)

(\*) NSCLC = Non-small cell lung cancer; Adeno = adenocarcinoma; AML = Acute myeloid leukemia.

(†) Data are based on projections from the National Cancer Institute's SEER Program for new cases of lung cancer, colorectal cancer, pancreatic cancer, AML and other cancers in 2019 and estimates from the American Cancer Society of the incidence of NSCLC and adenocarcinoma in lung cancer cases.

(‡) Reflects our estimate of projected number of cases in 2019 by RAS protein mutation for each cancer histotype indicated. Estimated frequency percentages (shown in parentheses) of RAS protein mutation in applicable histotype are based on data obtained from Foundation Medicine, Inc., applied to data described in footnote † above.

### Limitations of approved drugs treating RAS-dependent cancers and our opportunity

A major goal in contemporary oncology treatment is to replace relatively unselective chemotherapy regimens—which in many cases remain the standard of care today but provide only partial benefit with many side effects—with more effective and better tolerated targeted therapeutic options. Targeted therapies directed against RAS-dependent cancers, which include drugs that inhibit RTKs, RAF and MEK, have been approved for use in lung cancer, melanoma and colorectal cancer. These targeted therapies have shown the capacity to drive deeper and more durable responses than conventional chemotherapy regimens while minimizing unwanted side effects and damage to normal tissues.

Two treatment gaps remain in RAS-dependent cancers. First, several oncogenic proteins are not addressed by current targeted therapies. Second, cancers driven by oncogenic proteins that are addressed by current targeted therapies often progress in the face of drug therapy due to adaptive resistance mechanisms.

Specific examples of *frontier* cancer drivers are RAS, NF1, and selected RAF mutants (BRAF<sup>Class3</sup>). Historically, direct inhibition of any RAS protein has been challenging due to a lack of tractable, or “druggable,” binding pockets. Recently reported initial clinical results from a RAS(OFF) inhibitor targeting mutant KRAS<sup>G12C</sup> suggest significant clinical benefit and provide strong pharmacologic validation of this oncoprotein as a cancer driver. These results, along with other preclinical data, provide a compelling basis for our commitment to targeting oncogenic mutant forms of RAS(ON). We are using our innovation engine to develop a portfolio of mutant-selective RAS(ON) inhibitors and, initially, we will prioritize four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>.

A common source of treatment failure with existing targeted therapies is that cancer cells exhibiting “oncogene addiction” exploit cell signaling circuitry to bypass the drug’s effect and sustain growth and survival. This phenomenon is particularly well recognized in RAS-dependent cancers, and may be especially active in certain tumor histotypes, making them less sensitive to a drug from the outset and/or more likely to progress over time. Certain RAS-dependent cancers have been treated with two RAS pathway targeted agents to achieve combinatorial benefit by attenuating adaptive resistance mechanisms. For example, melanomas driven by BRAF<sup>Class1</sup> mutations can be treated with a combination of a BRAF inhibitor and a MEK inhibitor. SHP2 is believed to be a central node that can be targeted to disrupt bypass signaling pathways that may involve activation of multiple RTKs. Therefore, although we are at an early stage of clinical testing and product candidate development, we believe RMC-4630, a potent and selective inhibitor of SHP2, is well positioned to become the backbone of targeted therapy combinations for the treatment of various RAS-dependent tumors, and plan to explore this paradigm in our ongoing RMC-4630 clinical program.

We are using our innovation engine to develop novel targeted therapies and combination regimens to address these treatment gaps.

### **Our innovation engine**

We have built an innovation engine that enables us to discover and develop novel targeted therapies for elusive high-value *frontier* cancer targets with particular focus on a cohesive set of disease targets within notorious growth and survival pathways. This engine consists of three complementary drivers:

- Deep **chemical biology and cancer pharmacology know-how**, including assays and proprietary tool compounds, to define the critical vulnerabilities of “frontier” RAS and mTOR pathway targets and associated signaling circuits in cancer cells;
- Sophisticated **structure-based drug discovery capabilities**, including proven **access to complex chemical space**, to create drug candidates tailored to unconventional binding sites on elusive cancer targets; and
- Astute **precision medicine approach**, embracing patient selection and innovative single agent and combination drug regimens, to translate our preclinical insights into clinical benefit for patients with genetically-defined cancers that are addicted to these pathways.

### ***Our chemical biology and cancer pharmacology know-how***

We test our inhibitors across a diverse set of human cancer cell and patient-derived *in vitro* and/or *in vivo* models of cancer. This is complemented by targeted implementation of bioinformatics and functional genomics. The biological insights we generate help us to unravel the complex molecular circuitry in human cancers. We also explore mechanisms of adaptive resistance that RAS-addicted cancer cells use to circumvent inhibition of the pathway, and develop innovative mechanism-based dosing paradigms and rational in-pathway

combinations with our proprietary compounds and/or other agents. We evaluate such dosing and combination approaches in our preclinical *in vitro* and *in vivo* models to define their pharmacologic opportunities and limitations, and to prioritize therapeutic strategies for translation to the clinic.

### **Our structure-based drug discovery capabilities**

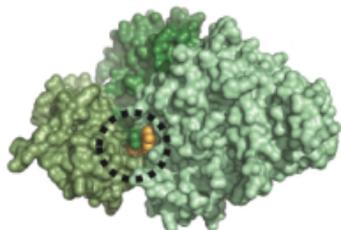
We enlist various technologies and capabilities that give us chemical access to challenging sites that are generally not accessible using conventional small molecule drug discovery approaches. For each target, we consider the specific structural, physico-chemical, functional and dynamic properties of the target and deploy the approach(es) that appears most likely to yield viable development candidates. In some instances the compounds we discover and develop are small molecules (e.g., less than 500 mw) with properties that generally satisfy conventional pharmaceutical “Rule of 5” criteria, while in other cases, they are larger (e.g., 500-1000 mw) “Beyond Rule of 5” compounds. In either case, we use various structure-based design tools to discover the initial chemical matter, drive optimization using iterative medicinal chemistry, and generate structure-activity and structure-property relationships to identify development candidates. In order to prosecute effective medicinal chemistry campaigns within complex chemical space, we use our deep experience and make the necessary investments to design and develop scalable modular chemical synthesis, purification and analytical methods for selected scaffolds to routinely and efficiently analogue our “Beyond Rule of 5” chemical series.

Although we are at an early stage of clinical testing and product candidate development, we believe our differentiated chemical approaches to discovering inhibitors for challenging *frontier* cancer targets is exemplified by our current portfolio. Each of our current programs takes advantage of allosteric regulation to inhibit the target of interest by exploiting one or more of three distinct mechanisms. We use the term allosteric inhibitors to describe those that “act at a distance,” meaning that the inhibitory effect occurs at a protein site or domain distinct from the compound’s binding site.

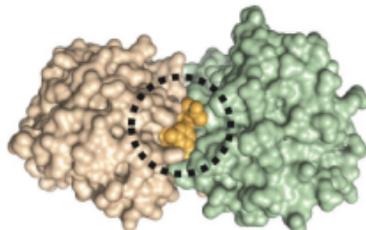
- i) **Intra-Molecular Allosteric Inhibitors:** Our SHP2 inhibitors, including RMC-4630, act by binding to a site in the protein that is distinct from the catalytic “active site” but nonetheless inhibit the phosphatase activity of SHP2. The inhibitors bind to a pocket within SHP2 that is formed when the protein is folded back onto itself in its basal, “autoinhibited” state; by binding to this pocket, these compounds stabilize the inactive conformation of SHP2 and therefore inhibit its overall function. We refer to this mechanism as “intra-molecular allostery” since it involves inhibitory actions entirely within the target protein itself. RMC-4630 is a traditional “Rule of 5” compound.
- ii) **Tri-Complex Inhibitors:** Our targeted mutant RAS(ON) portfolio takes advantage of our proprietary tri-complex technology that enables us to discover small molecule inhibitors of targets lacking intrinsic drug binding sites by inducing new druggable pockets. Our RAS inhibitors induce a new binding pocket on RAS(ON) by driving formation of a high affinity ternary complex (tri-complex) between the mutant RAS protein and a widely expressed cytosolic protein called a chaperone (e.g., FKBP12 or cyclophilin A). The inhibitory effect on RAS is mediated by steric occlusion of the interaction site between the mutant RAS and downstream effector molecules, such as RAF, which are required for propagating the oncogenic signal. We refer to this mechanism as “inter-molecular allostery” since it involves indirect inhibitory effects of a second protein (the chaperone) on the target in the presence of our tri-complex inhibitors. Our RAS(ON) inhibitors, which are inspired by natural products that act through this type of mechanism, are “Beyond Rule of 5” compounds.
- iii) **Bi-Steric Inhibitors:** Our mTORC1 inhibitors comprise two pharmacophores in a single compound. One pharmacophore binds to the well-known FRB (FKBP12-rapamycin binding) site on mTORC1 and the other binds to the mTOR kinase active site. As a result of these two binding interactions, such compounds exhibit two biologically useful features: (1) selectivity for mTORC1 over mTORC2, which is characteristic of the natural compound rapamycin, and (2) deep inhibition of mTORC1, which is characteristic of known active

site inhibitors. These properties enable selective inhibition of phosphorylation of mTORC1 substrates, including 4EBP1. We refer to this type of inhibition as a “bi-steric mode.” These mTORC1 inhibitors, which are inspired by natural products, are “Beyond Rule of 5” compounds.

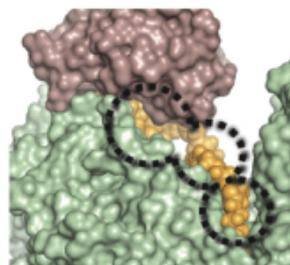
**SHP2: *Intra-Molecular Allosteric***



**RAS: *Tri-Complex***



**mTORC1: *Bi-Steric***

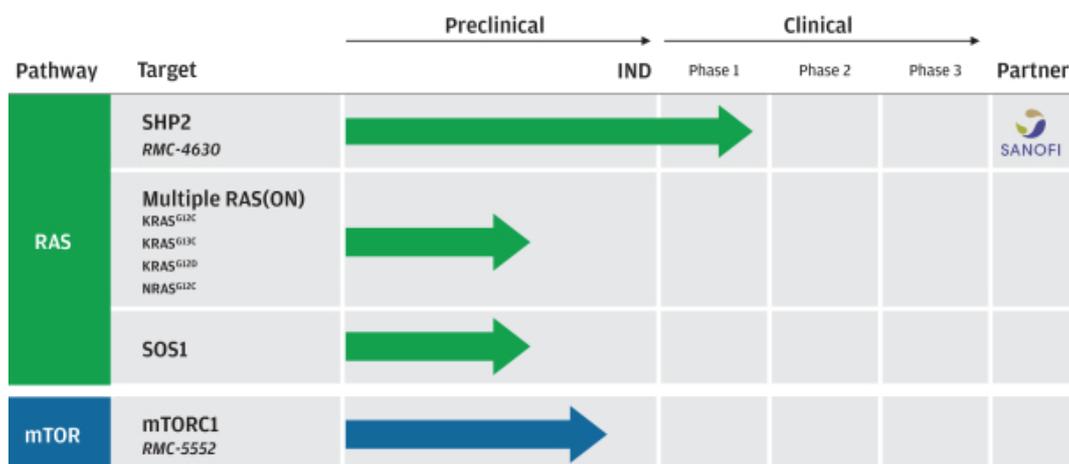


***Our precision medicine approach***

We interrogate the biology of different cancers and their associated mutational drivers to help inform patient selection, therapeutic treatment regimens, and appropriate outcome measures. To identify patient subsets that may benefit most from our treatment strategies, we use genomics, transcriptomics and proteomics data from human tumor samples and/or broad panels of human cancer cell lines. We also pursue development of drug combinations where combinatorial benefits are predicted and confirmed in preclinical models. Innovative, mechanism-based dosing paradigms are explored for each combination and refined using pharmacokinetic and pharmacodynamic modeling techniques and sophisticated continuous reassessment dosing methodology. We also identify and monitor pharmacodynamic biomarkers and surrogates of clinical activity to help measure target inhibition.

## Our pipeline

We are using our innovation engine to develop a deep pipeline of novel targeted therapies to inhibit elusive, high-value *frontier* targets within the notorious RAS and mTOR signaling pathways. Our pipeline includes one product candidate that is in clinical development and all of our other programs are in the preclinical stage. Under our collaboration with Sanofi on our SHP2 program, we have a 50-50 profit share and a co-promote right in the United States and are eligible to receive royalties on net sales outside of the United States. Sanofi is responsible for reimbursing substantially all of our research costs and all of our development costs for the SHP2 program. For all other programs, we retain worldwide commercial rights.



### Our SHP2 inhibitor, RMC-4630

#### Overview

Our most advanced product candidate, RMC-4630, is a potent and selective inhibitor of SHP2, based on preclinical evidence described in this prospectus. SHP2 is a protein that plays a central role in modulating cell survival and growth by transmitting signals from upstream RTKs to RAS. In collaboration with Sanofi, we are evaluating RMC-4630 in a multi-cohort Phase 1/2 clinical program, which includes our ongoing Phase 1 trial of RMC-4630 as monotherapy in patients with tumors harboring genetically defined mutations in the RAS signaling pathway. Based on our own data, and supported by observations by others, we are evaluating intermittent dosing schedules in our clinical program to allow us to maximize dose intensity in order to achieve the greatest depth of response. We also plan to explore the potential clinical benefit of RMC-4630 in combination with other in-pathway agents targeting MEK, EGFR, and KRAS<sup>G12C</sup>, as well as in combination with PD-1 inhibitors. We initiated the first such combination trial in July 2019, a Phase 1b/2 trial with cobimetinib, a MEK inhibitor. Although we are at an early stage of clinical testing and product candidate development, we believe RMC-4630 is well positioned to become the backbone of targeted therapy combinations for the treatment of various RAS-dependent tumors.

#### Preclinical Profile of RMC-4630

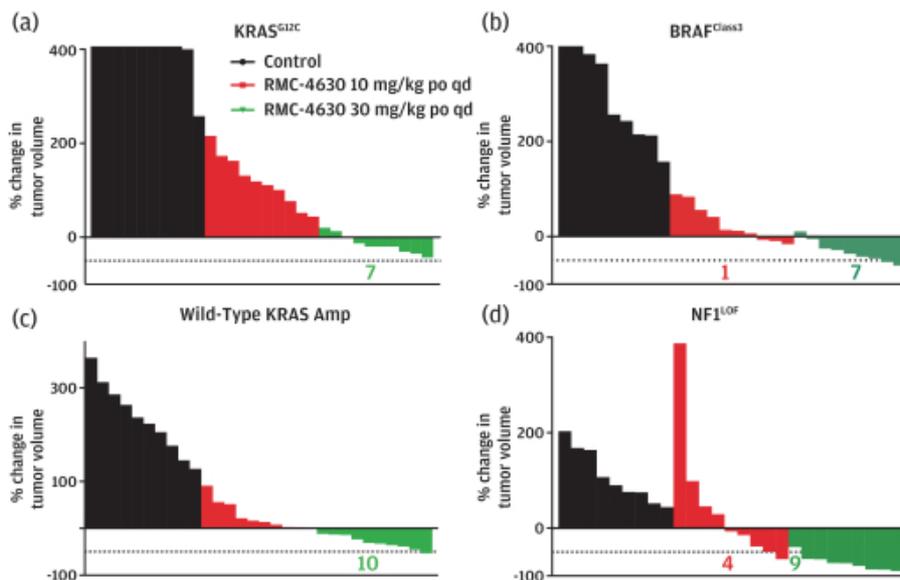
RMC-4630 potently inhibits SHP2 phosphatase activity in a biochemical assay (IC<sub>50</sub> 1.29 nM) and SHP2 function in cellular assays, as measured by inhibition of ERK1/2 phosphorylation at Thr202/Tyr204, a read out for RAS pathway activation (IC<sub>50</sub> values of 14 nM in PC9<sup>EGFRex19del</sup> cells and 20 nM in NCI-H358 KRAS<sup>G12C</sup> cells). In standard

*in vitro* assays of target selectivity, no significant interaction with kinases or other phosphatases was observed. RMC-4630 (up to a test concentration of 10  $\mu$ M) exhibited no inhibition of full length SHP1 phosphatase, or the catalytic domains of SHP1 and thirteen other phosphatase enzymes. RMC-4630 exhibited over 3,000-fold selectivity for SHP2 (as measured by biochemical potency) over a panel of over 450 kinases (as measured by displacement of probe binding).

*Preclinical anti-tumor activity*

Consistent with the role of SHP2 as a regulator of the RAS cycle, we observed that RMC-4630 suppresses tumor growth in a dose-dependent manner in human cell-line or patient-derived preclinical xenograft models of tumors harboring KRAS<sup>G12C</sup>, NF1<sup>LOF</sup>, or BRAF<sup>Class3</sup> mutations or wild-type KRAS amplifications (Figure 1). Moreover, RMC-4630 at 30 mg/kg daily administered orally induced regression in some tumor models.

**Figure 1:** RMC-4630 suppresses tumor growth in preclinical xenograft models of tumors harboring KRAS<sup>G12C</sup>, NF1<sup>LOF</sup>, or BRAF<sup>Class3</sup> mutations or wild-type KRAS amplifications.

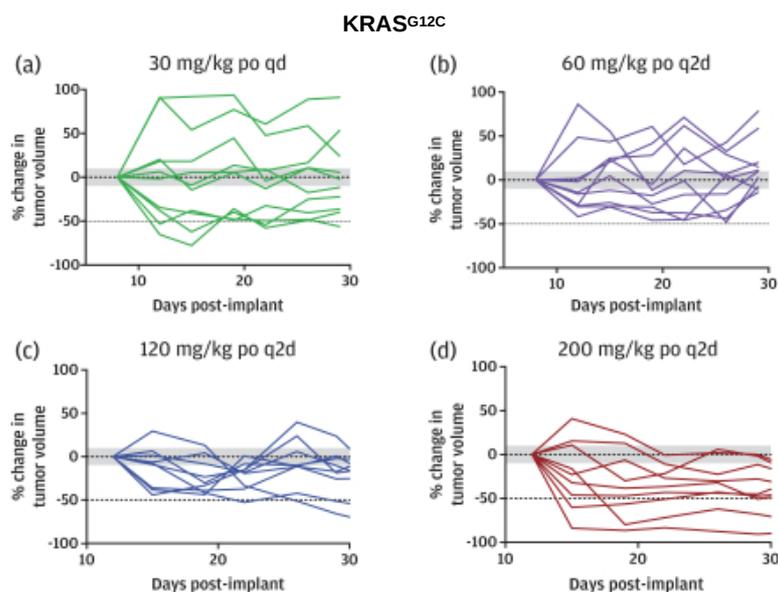


Daily oral administration (po qd) of RMC-4630 at 10 mg/kg (red) or 30 mg/kg (green) produces a dose-dependent inhibition of tumor growth in multiple solid human tumor cell line-derived or patient-derived xenograft (CDX or PDX, respectively) models bearing RAS pathway activating mutations of interest. All human xenograft models implanted in immunodeficient mice: (a) non-small cell lung cancer (NSCLC) PDX LUN#092 KRAS<sup>G12C</sup>, (b) NSCLC BRAF<sup>Class 3</sup> PDX LUN#023 (BRAF<sup>D594N</sup>), (c) gastric cancer PDX STO#332 wild-type KRAS amplification (KRAS Amp, copy number, CN = 4) and (d) NSCLC CDX NCI-H1838 NF1<sup>LOF</sup> (NF1<sup>L184fs</sup>). Control animals are shown in black. Data represent waterfall plots of individual end of study tumor responses, with tumor volume expressed as a percentage of initial tumor volume at time of study start (truncated at 400%). Each animal is represented as a separate bar (number of mice per group = 9 to 10). Numbers indicate number of regressions (defined as > 10% reduction in tumor volume from starting volume) in each group. Dotted line references 50% reduction in tumor volume. The duration of treatment with RMC-4630 or vehicle control was within a range of 30 days to 50 days across the four models.

*Optimizing dosing and scheduling*

Using an intermittent dosing schedule, which permits deep but discontinuous inhibition of the SHP2 target, significantly higher doses of RMC-4630 were tolerated than could be delivered with daily dosing. These higher doses of RMC-4630 led to increased tumor growth inhibition and resulted in more frequent and deeper tumor regressions (Figure 2).

**Figure 2:** Intermittent dose regimens of RMC-4630 produce deeper and more frequent tumor regressions than daily dosing at maximal tolerated dose in a preclinical xenograft model of NSCLC tumors harboring KRAS<sup>G12C</sup> mutations.



Anti-tumor activity of daily (qd) and intermittent, every other day, (q2d) oral (po) dose regimens for RMC-4630 in NSCLC NCI-H358 KRAS<sup>G12C</sup> cell line-derived xenograft model in mice. Graphs show tumor volume data for individual animals, expressed as a percentage of initial tumor volume at time of study start, for (a) 30 mg/kg qd, (b) 60 mg/kg q2d, (c) 120 mg/kg q2d and (d) 200 mg/kg q2d dose regimens (number of animals per group = 9 to 10). Changes in tumor volume of greater than 10% (grey zone) are considered significant. Dotted line references 50% reduction in tumor volume. All dose regimens were well-tolerated.

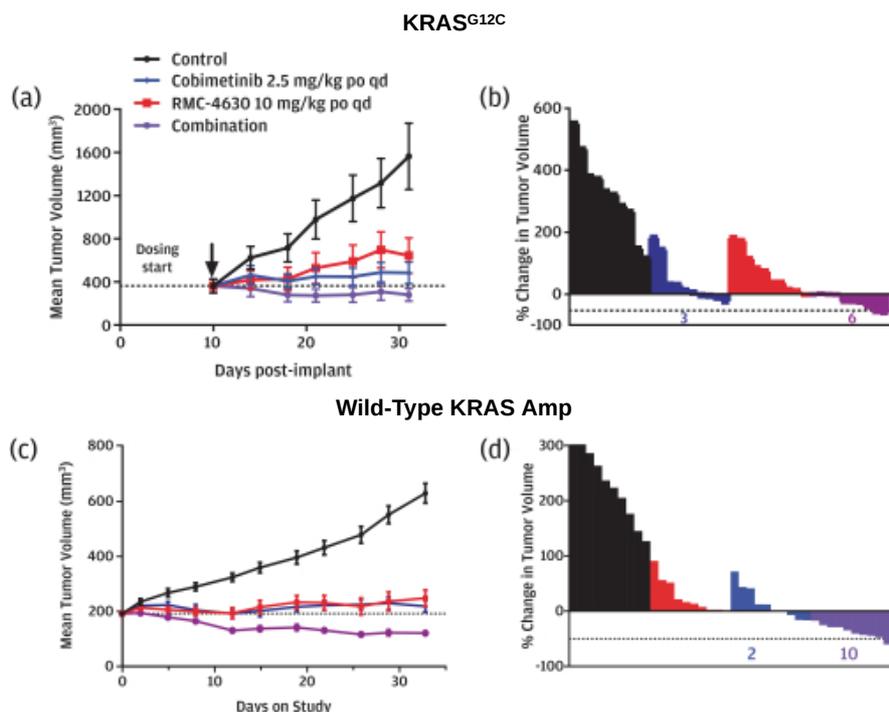
#### *Rationale for combining with other targeted agents*

Certain cancer treatments that inhibit components of the RAS signaling pathway are often unable to achieve the desired clinical effect as single agents due to the rapid development of adaptive resistance. These resistance mechanisms often involve hyperactivation of various RTKs that drive oncogenic signals via SHP2. Given that SHP2 is required for RAS signaling pathway activation by many RTKs, it might represent a viable target to limit potential resistance to other single-agent treatments. Inhibition of SHP2 in cell culture experiments abrogated RTK signaling and, in preclinical studies, RMC-4630 demonstrated combinatorial activity when given with other RAS signaling pathway inhibitors, such as MEK, KRAS<sup>G12C</sup> or EGFR.

MEK inhibitors, such as cobimetinib, are approved for the treatment of certain types of melanoma but only in combination therapy. As single agents they have shown limited clinical effect, particularly in lung cancers carrying RAS mutations, which is believed to be due in part to adaptive resistance mechanisms.

In several preclinical tumor xenograft models either RMC-4630 or cobimetinib, dosed as single agents at doses lower than the maximally tolerated dose for each agent, inhibited tumor growth but induced few tumor regressions. However, the number and depth of tumor regressions was markedly increased upon treatment with a combination of these low-doses of RMC-4630 and cobimetinib (Figure 3).

**Figure 3:** Combination benefit for RMC-4630 and cobimetinib in preclinical xenograft models of tumors harboring KRAS<sup>G12C</sup> mutations or wild-type KRAS amplifications.



Anti-tumor activity of RMC-4630 (10 mg/kg, red) and cobimetinib (2.5 mg/kg, blue) dosed daily by oral administration (po, qd) as single agents or in combination (purple) in (a and b) NSCLC CDX NCI-H358 KRAS<sup>G12C</sup> and (c and d) gastric cancer PDX STO#332 wild-type KRAS amplification (KRAS Amp, CN = 4) xenograft models in mice. Data represent (a and c) mean tumor volume over time or (b and d) waterfall plots of individual end of study responses with tumor volume expressed as a percentage of initial tumor volume at time of study start (truncated at 300% in d). In (a) and (c) data represent mean and errors bars represent standard error of the mean. Each animal represented as a separate bar in (b and d). Number of animals per group = 10. Respective doses (in parentheses) of RMC-4630 (10 mg/kg) and cobimetinib (2.5 mg/kg) are lower than the corresponding maximally-tolerated dose for each agent. Numbers indicate number of regressions (defined as > 10% reduction in tumor volume from starting volume) in each group.

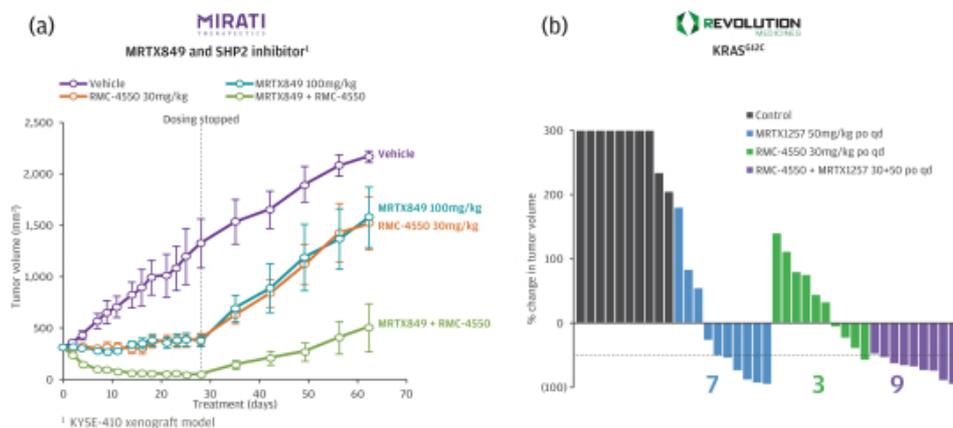
There are three important implications of these observations: First, the anti-tumor effects of RMC-4630 may be significantly greater in human cancers that are already predicted to be sensitive to SHP2 inhibition if RMC-4630 is combined with a MEK inhibitor. Second, the effects of the combination may be observed at doses or exposures of RMC-4630 or a MEK inhibitor that are significantly below the maximum tolerated dose for each agent. Third, there may be a higher probability of invoking tumor cell death with the combination, and thus seeing tumor regressions.

In addition, two of our academic collaborators have demonstrated that tumors with KRAS<sup>G12D</sup> or KRAS<sup>G13D</sup> mutations may be responsive to a SHP2 inhibitor combined with a MEK inhibitor. Based on their published results, the RMC-4630 and MEK inhibitor combination may be active in some tumors with mutations that may not be sensitive to SHP2 inhibition alone.

The combination of RMC-4630 and cobimetinib has been relatively well tolerated in preclinical studies. We have also sought to maximize potent anti-tumor activity of RMC-4630, and reduce potential side effects, by deploying an intermittent dosing schedule.

Recently reported initial clinical results from a KRAS<sup>G12C</sup>(OFF) inhibitor suggest significant clinical benefit and provide strong pharmacologic validation of this oncoprotein as a cancer driver. Preclinical studies have demonstrated that KRAS<sup>G12C</sup>(OFF) inhibitors also cause a rapid increase in signaling through RTKs that are typically SHP2-dependent. Thus, the magnitude and durability of effect of an inhibitor of KRAS<sup>G12C</sup>(OFF) may be significantly increased when combined with a SHP2 inhibitor that disrupts signaling from the activated RTKs. Recent data have demonstrated that a combination of our proprietary SHP2 inhibitor with KRAS<sup>G12C</sup>(OFF) inhibitors can drive significant tumor regression in two distinct KRAS<sup>G12C</sup> driven tumor models that exhibit only partial anti-tumor responses to either compound alone (Figure 4).

**Figure 4:** Combination benefit for SHP2 inhibitor and KRAS<sup>G12C</sup>(OFF) inhibitor in preclinical xenograft models of tumors harboring KRAS<sup>G12C</sup> mutations.

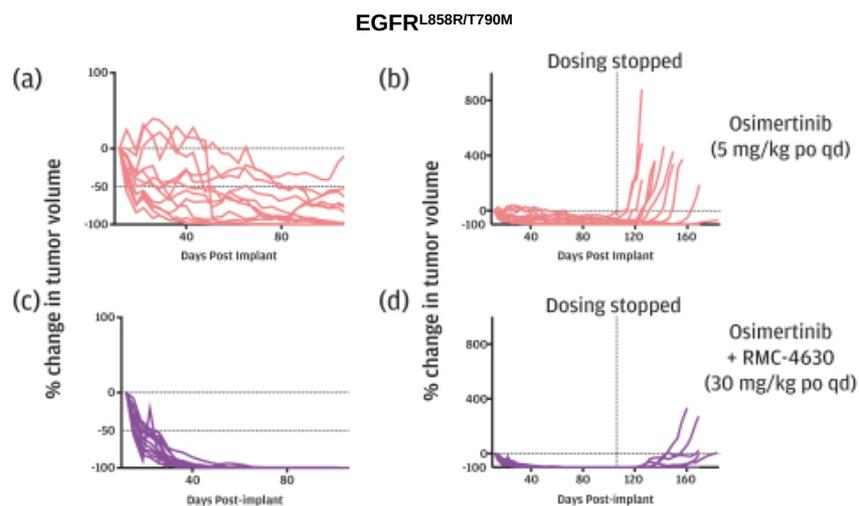


Anti-tumor activity of a representative SHP2 allosteric inhibitor (RMC-4550) and a KRAS<sup>G12C</sup>(OFF) inhibitor (MRTX849 or MRTX1257) dosed daily by oral administration (po, qd) as single agents or in combination in **(a)** esophageal carcinoma KYSE-410 and **(b)** NSCLC NCI-H358 KRAS<sup>G12C</sup> cell line-derived xenograft models in mice. Data represent **(a)** mean tumor volume over time or **(b)** waterfall plot of individual end of study responses, with tumor volume expressed as a percentage of initial tumor volume at time of study start (truncated at 300%). Data in panel **(a)** taken from an August 2019 Mirati corporate presentation; show evidence for tumor regressions, in addition to reduced rate of tumor regrowth after 'dosing stopped', for the SHP2 plus KRAS<sup>G12C</sup>(OFF) inhibitor combination group relative to either single agent group. For our data in panel **(b)** each animal is represented as a separate bar (number of animals per group = 10). Numbers indicate number of regressions (> 10% reduction in tumor volume from starting volume) in each group. RMC-4550 is a potent and selective SHP2 allosteric inhibitor tool compound (see Nichols et al., 2018). MRTX849 is Mirati's KRAS<sup>G12C</sup>(OFF) clinical candidate and MRTX1257 is a potent and selective KRAS<sup>G12C</sup>(OFF) inhibitor tool compound.

In approximately 25% of NSCLC in North and South America, EGFR is mutated and drives tumor growth. EGFR inhibitors are used to treat these types of lung cancer, but emergence of resistance is a clinical problem. With recently approved EGFR inhibitors such as osimertinib (marketed as Tagrisso by AstraZeneca), emergent resistance is frequently due to mutation or amplification of signaling proteins other than EGFR. Similar to the adaptive resistance pathways activated by MEK inhibitors, several of these escape drivers have been shown to signal through SHP2.

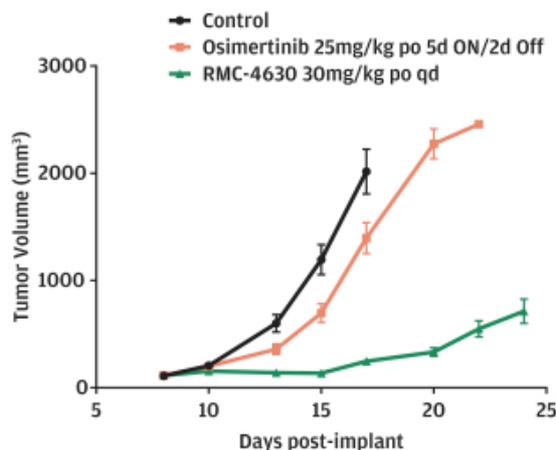
RMC-4630 enhanced the anti-tumor activity of osimertinib in preclinical models of osimertinib-sensitive and osimertinib-resistant EGFR-mutant tumors (Figures 5 and 6). RMC-4630 accelerated and increased the magnitude of tumor regression in an osimertinib-sensitive tumor and delayed and/or reduced tumor regrowth upon cessation of treatment in this model. RMC-4630 also inhibited tumor growth in a patient-derived tumor xenograft that had become resistant to osimertinib via amplification of the oncogene c-MET, an RTK that has been shown to drive some forms of cancer and that signals through SHP2. This suggests that, under circumstances where escape from osimertinib occurs via a SHP2-dependent mechanism, RMC-4630 may have clinical activity.

**Figure 5:** Combination benefit for RMC-4630 and the EGFR inhibitor, osimertinib, in an EGFR<sup>L858R/T790M</sup> osimertinib-sensitive NSCLC xenograft model.



Anti-tumor activity of osimertinib (5 mg/kg) dosed daily by oral administration (po, qd) as a single agent (a and b) or in combination with RMC-4630 (30 mg/kg po, qd) (c and d) in NSCLC NCI-H1975 (EGFR<sup>L858R/T790M</sup>) cell line-derived xenograft model in mice. Graphs show tumor volume data for individual animals, expressed as a percentage of initial tumor volume at time of study start (number of animals per group =12). Horizontal dotted lines reference the starting tumor volume (0%) and a 50% reduction in tumor volume. Vertical dotted line marks time at which dosing was stopped. Panels (a and c) show the same data as in (b and d) up to the time point of dosing cessation but on an expanded time scale.

**Figure 6:** RMC-4630 suppresses tumor growth in an osimertinib-resistant NSCLC patient-derived xenograft model (EGFR<sup>L858R/T790</sup>/MET<sup>amplified</sup>).



Daily oral administration of RMC-4630 (30 mg/kg po, qd) inhibits tumor growth in an osimertinib-resistant NSCLC patient-derived xenograft model (EGFR<sup>L858R/T790</sup>/MET<sup>amplified</sup>) wherein the EGFR<sup>T790M</sup> allele was no longer detected and the patient tumor exhibited genomic amplification of the MET receptor tyrosine kinase. The human tumor xenograft model was implanted in immune deficient mice. Data represent mean and errors bars represent standard error of the mean. Number of animals per group = 10. Osimertinib 25 mg/kg, 5 days on/2 days off had no significant impact on tumor growth as anticipated.

*Rationale for combining with immune checkpoint inhibitors*

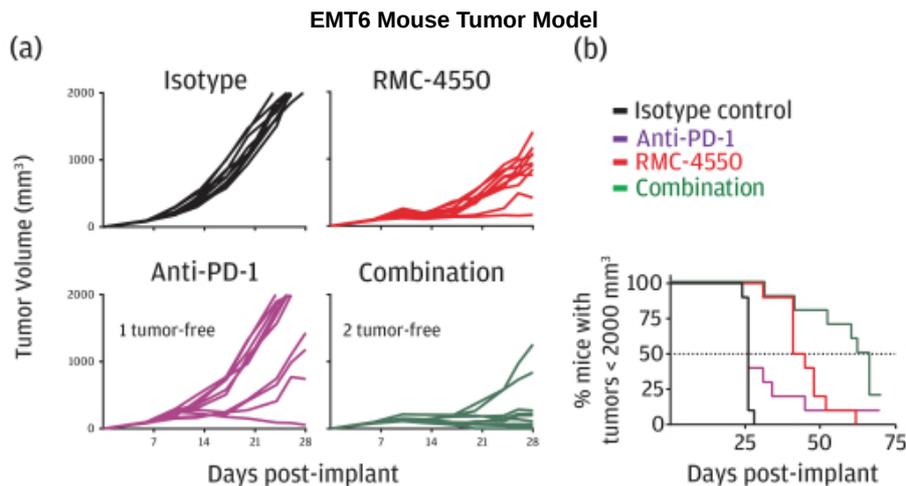
Immune checkpoint inhibitors, such as inhibitors of PD-1, have been useful against a variety of tumor types, including melanomas, breast and lung cancers, certain types of colon cancer and bladder cancers. It has been

proposed in the scientific literature that SHP2 interacts with the PD-1 receptor and mediates at least part of its immune suppressive signals. We have observed that SHP2 inhibition phenocopies some of the effects of PD-1 blockade in certain *in vitro* and *in vivo* models.

We have also seen that SHP2 inhibition inhibits the viability of pro-tumorigenic (M2) macrophages *in vitro*. In the tumor microenvironment *in vivo*, SHP2 inhibition reduced the number of M2 macrophages while also promoting increases in the anti-tumor M1 macrophages population. Therefore, RMC-4630 may increase the ability of the innate and adaptive arms of the immune system to control or even eradicate cancer cells. In models of cancer in immunocompetent mice, SHP2 inhibition activated the murine immune system to slow tumor growth, even in tumors that are not intrinsically sensitive to direct cellular effects of SHP2 inhibition. In preclinical models, the combination of a SHP2 inhibitor with an immune checkpoint inhibitor, such as a PD-1 inhibitor, occasionally induced an immune response that is sufficient for mice to 'reject' their tumors completely and elicit immunological memory.

Significant anti-tumor effects of SHP2 inhibition, both alone and in combination with PD-1 inhibition, were also observed in tumors intrinsically sensitive to SHP2 inhibition *in vitro* (Figure 7). A SHP2 inhibitor such as RMC-4630 may, therefore, elicit anti-tumor effects via two separate biologic mechanisms: targeted inhibition of RAS-dependent tumor growth, and liberation of anti-tumor immune responses by transformation of the tumor microenvironment.

**Figure 7:** Anti-tumor effects of SHP2 inhibition alone and in combination with PD-1 checkpoint blockade in the EMT6 syngeneic model.



RMC-4550 (30 mg/kg) was administered daily by oral administration for the duration of the study starting at day 6 post-implant; anti-PD-1 (10 mg/kg) was administered every three days by intra-peritoneal administration, for a total of 7 doses starting at day 6 post-implant, or a combination of both was administered to EMT6 tumor bearing immunocompetent mice. Control animals received the isotype control for the anti-PD-1 antibody. Data represent (a) tumor growth of individual mice for each experimental group and (b) Kaplan–Meier curves showing percentage of animals with tumor burden < 2000 mm<sup>3</sup> in each treatment group for the duration of the study. RMC-4550 is a potent and selective SHP2 allosteric inhibitor tool compound. Number of animals per group = 10.

*Development strategy*

In summary, preclinical research suggests that RMC-4630 has the potential to cause significant anti-tumor effects:

- In tumors harboring certain mutations of the RAS signaling pathway;

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- When administered at high doses on an intermittent basis;
- When given in combination with other targeted anti-cancer agents such as inhibitors of MEK, EGFR or mutated KRAS, such as KRAS<sup>G12C</sup>; and
- If both the direct effects of SHP2 inhibition on cancer cells with RAS pathway mutations and activation of the immune system occur concurrently, which may be heightened through combination with a PD-1 inhibitor.

Although we are at an early stage of clinical testing and product candidate development, we believe RMC-4630 is well positioned to become the backbone of targeted therapy combinations for the treatment of various RAS-dependent tumors (Figure 8).

**Figure 8**

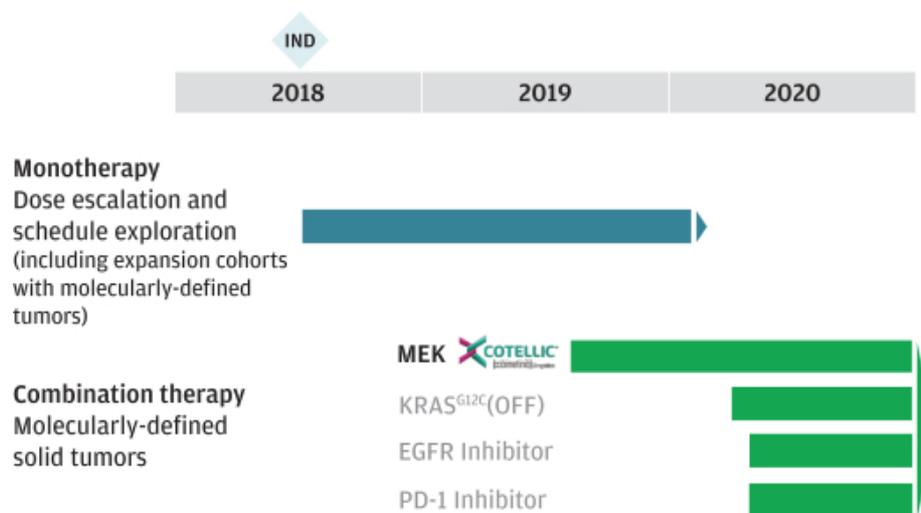
Tumors with RAS pathway mutations	Example	Near-term	Longer-term
Mutant-selective inhibitors available or in advanced clinical testing	KRAS <sup>G12C</sup>	RMC-4630 + KRAS <sup>G12C</sup> (OFF) inhibitor	RMC-4630 + KRAS <sup>G12C</sup> (ON) inhibitor + Checkpoint inhibitor (PD-1)
	EGFR	RMC-4630 + EGFR inhibitor (osimertinib)	RMC-4630 + EGFR inhibitor (osimertinib)
Mutant-selective inhibitors unlikely to become available	NF1 <sup>LOF</sup> BRAF <sup>Class3</sup>	RMC-4630 + MEK inhibitor (cobimetinib)	RMC-4630 + MEK inhibitor (cobimetinib) + Checkpoint inhibitor (PD-1)

*Phase 1/2 clinical program*

We are currently conducting a Phase 1 dose escalation trial (RMC-4630-01) in patients with advanced cancers to evaluate the safety, pharmacokinetics and pharmacodynamic effects of RMC-4630 as a single agent using two different schedules: daily and intermittent dosing. A preliminary evaluation of anti-tumor activity is also being made in patients who have tumors harboring mutations in the RAS-MAPK pathway that are predicted to be sensitive to SHP2 inhibition, including KRAS<sup>G12C</sup>, KRAS<sup>G12A</sup>, NF1<sup>LOF</sup>, and BRAF<sup>Class3</sup>. The RMC-4630-01 trial is currently being conducted at 12 clinical trial sites in the United States. As of early September 2019, the study had 60 enrolled patients of whom 57 had received study drug. Twelve patients received RMC-4630 20 mg daily, 13 received 40 mg daily, 18 received 60 mg daily, six received 80 mg daily, four received 140 mg twice-weekly and four received 200 mg twice-weekly. In addition, in July 2019, we started enrolling a Phase 1b/2 clinical trial (RMC-4630-02) testing RMC-4630 in combination with the MEK inhibitor cobimetinib. As of early September 2019, five patients had been enrolled and treated. We expect to report safety and clinical activity data from the intermittent dosing arm of RMC-4630-01 in 2020.

In 2020, we also intend to start dosing patients in Phase 1b studies evaluating the combination of RMC-4630 with an EGFR inhibitor such as osimertinib and RMC-4630 with a PD-1 inhibitor. In 2020, we are also planning a Phase 1b/2 study of RMC-4630 in combination with a KRAS<sup>G12C</sup>(OFF) inhibitor. We expect that the earliest opportunity for us to present clinical data from RMC-4630 at a scientific conference will be in 2020.

**Figure 9:** Phase 1/2 planned clinical development program for RMC-4630.



**Our RAS(ON) portfolio**

*Overview*

We are also developing a portfolio of what we believe to be the first potent, selective and cell-active inhibitors of mutant RAS(ON) proteins. We believe that direct inhibitors of RAS(ON) will suppress cell growth and survival as well as be less susceptible to adaptive resistance mechanisms recognized for RAS(OFF) inhibitors. Initially, we will prioritize four mutant RAS(ON) targets - KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup> - and expect to nominate our first development candidate in 2020. We plan to evaluate our RAS(ON) inhibitors alone and in combination with other drugs and investigational new drugs, particularly in-pathway agents. Our proprietary tri-complex technology platform provides us the opportunity to build a portfolio of genetically targeted RAS(ON) inhibitors by discovering and developing compounds that target diverse oncogenic RAS mutants.

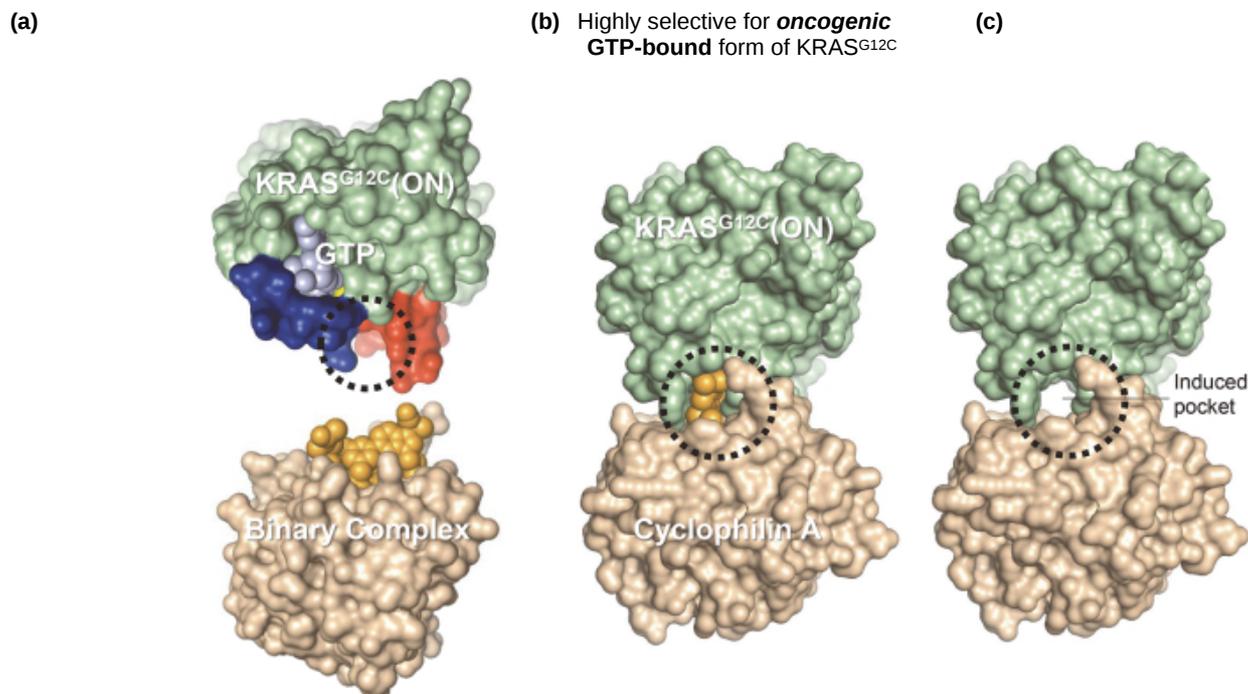
*Challenges and limitations of current approaches for RAS mutant cancers*

To our knowledge, every targeted therapy approved or in clinical development for the treatment of RAS-dependent cancers acts on targets that lie either upstream or downstream of RAS(ON) within the cellular signaling cascade. Historically, direct inhibition of any RAS protein has been challenging due to a lack of tractable, or “druggable,” binding pockets. However, selective inhibitors of the inactive GDP-bound, or “OFF” form, of KRAS<sup>G12C</sup> are being developed by several companies. Recently reported initial clinical results from early testing of a RAS(OFF) inhibitor (Amgen’s AMG 510) that targets mutant KRAS<sup>G12C</sup> suggest significant clinical benefit and provide strong pharmacologic validation of this oncoprotein as a cancer driver. These results, along with other preclinical data, provide a compelling basis for our commitment to targeting oncogenic mutant forms of RAS(ON). We are not aware of any programs in clinical development that have successfully targeted any RAS(ON) protein. In tumor cells addicted to RAS(ON), we believe that selective inhibitors of RAS(ON) will suppress cell growth and survival and be less susceptible to adaptive resistance mechanisms recognized for RAS(OFF) inhibitors.

The key drug discovery challenge for any known RAS(ON) protein is the absence of a tractable drug binding site on these RAS(ON) proteins, including different RAS isoforms and mutants. One molecular site of particular focus

has been a switch region protein shallow, solvent-exposed groove, or “valley,” that has been detected exclusively in the GTP-bound forms of RAS. Our proprietary tri-complex technology enables us to discover small molecule compounds that inhibit this site by inducing new druggable pockets. This approach is inspired by a biological phenomenon observed in nature, as exemplified by rapamycin. These tri-complexes exploit the surfaces of the two adjacent proteins to form a new ligand-binding pocket. The chaperone protein in the tri-complex helps to form the ligand binding site for the small molecule compound. Further, by physically participating in the tri-complex in the presence of the compound, the chaperone proteins sterically occludes the target protein and prevents interaction with affiliated proteins required for propagating oncogenic signals.

**Figure 10:** KRAS<sup>G12C</sup>(ON) inhibitor RM-A drives formation of a tri-complex binding to an induced pocket at the interface between KRAS<sup>G12C</sup>(ON) and cyclophilin A.



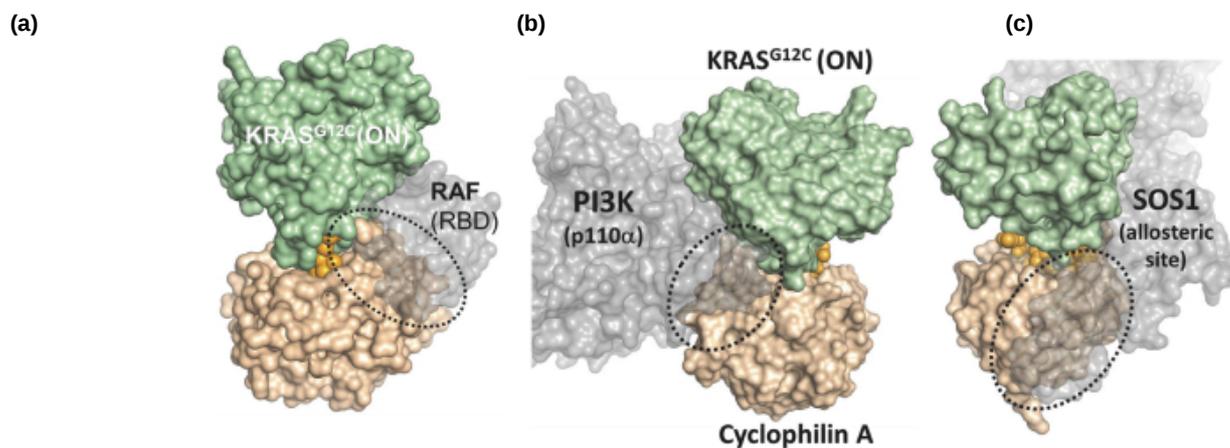
Surface representation of atomic resolution crystal structures of KRAS<sup>G12C</sup> (loaded with a non-hydrolysable analog of GTP in grey, gamma phosphate shown in yellow) (KRAS<sup>G12C</sup>(ON), green) and a binary complex of RM-A (ochre) and cyclophilin A (brown) (a). The shallow, solvent-exposed groove, or “valley,” between the switch I (blue) and switch II (red) regions of KRAS is highlighted. The cyclophilin A-RM-A binary complex binds to KRAS<sup>G12C</sup>(ON) to form a tri-complex (b) with RM-A bound in an induced binding pocket at the interface between the two proteins, visible following digital removal of the ligand (c).

We design and synthesize novel RAS(ON) inhibitors that enter a cell and bind to the highly abundant chaperone protein cyclophilin A to create a “binary complex.” This binary complex presents a unique surface that has the molecular features needed to engage the RAS mutant of interest in a “tri-complex” with the inhibitor sandwiched in an induced binding pocket at the interface between the two proteins. This tri-complex is held together by chemical interactions between cyclophilin A and the respective RAS(ON) mutant and between the compound and each of the two proteins. We use our structure-based drug discovery capabilities to drive rational design and optimization of tri-complex inhibitors of RAS(ON).

*Our RAS(ON) inhibitor programs*

We are initially prioritizing four mutant RAS(ON) targets—KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup> and NRAS<sup>G12C</sup>. We believe our tri-complex RAS inhibitors act in three ways to suppress growth signaling: (1) We have demonstrated direct disruption of the critical RAS-RAF interaction that triggers the downstream portion of the growth signaling cascade. By extension, our RAS(ON) inhibitors likely also: (2) directly disrupt the RAS-PI3K interaction that stimulates mTOR-dependent growth signaling, and (3) prevent the binding of RAS to a recognized allosteric site of SOS1, thereby blocking a positive feedback loop that amplifies conversion of RAS(OFF) to RAS(ON). The first two effects represent direct suppression of oncogenic RAS signaling. The third effect may attenuate the ability of RAS(ON) to increase GTP-bound levels of other *non-mutant* forms, i.e. wild-type, of RAS in the same cancer cells that may contribute to overall cell survival and proliferation.

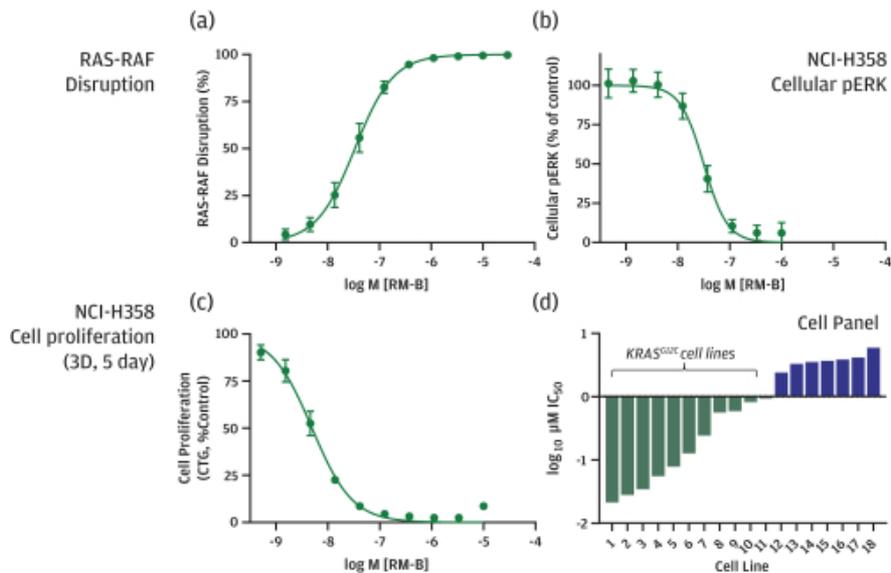
**Figure 11:** Layered structural models illustrating potential for tri-complex KRAS<sup>G12C</sup>(ON) inhibitors to sterically preclude engagement of RAF, PI3K and SOS1 by KRAS<sup>G12C</sup>(ON).



Surface representation of atomic resolution crystal structures of tri-complex of RM-A with KRAS<sup>G12C</sup>(ON) with structural overlays showing (in grey) interaction with (a) RAS binding domain (RBD) of BRAF, (b) p110α catalytic subunit of PI3K and (c) allosteric site on SOS1.

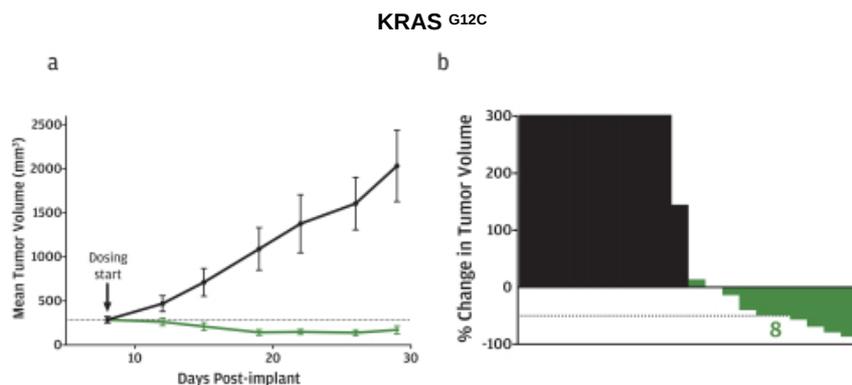
A representative KRAS<sup>G12C</sup>(ON) tri-complex inhibitor causes concentration-dependent disruption of the interaction between KRAS<sup>G12C</sup>(ON) and RAF-binding domain of BRAF (Figure 12). This inhibitor also penetrates KRAS<sup>G12C</sup> mutant tumor cells and potently suppresses pERK levels and cell growth. Most tumor cells carrying this RAS variant are highly sensitive to the inhibitor, whereas none of those with mutations elsewhere in the pathway are sensitive to this inhibitor at pharmacologically relevant concentrations. We believe the range of sensitivities reflects the level of addiction of each specific cell line to KRAS<sup>G12C</sup>(ON). A representative KRAS<sup>G12C</sup>(ON) tri-complex inhibitor (RM-B) drives tumor regressions in a KRAS<sup>G12C</sup> tumor model (Figure 13).

**Figure 12:** KRAS<sup>G12C</sup>(ON) tri-complex inhibitor disrupts KRAS<sup>G12C</sup>-RAF interaction; inhibits RAS pathway and proliferation *in vitro* in cells bearing KRAS<sup>G12C</sup> mutation.



Biochemical characterization of the effect of KRAS<sup>G12C</sup>(ON) tri-complex inhibitor RM-B on the interaction between KRAS<sup>G12C</sup> (loaded with a non-hydrolysable analog of GTP) and the RAS binding domain (RBD) of BRAF was performed using a TR-FRET assay (RAS-RAF disruption) (a). RAS pathway activity and cell proliferation in NSCLC NCI-H358 KRAS<sup>G12C</sup> cells were monitored in 2D cell cultures using levels of ERK1/2 phosphorylation at Thr202/Tyr204 (cellular pERK) (b) and in 3D cell cultures using CellTiter-Glo CTG (cell proliferation) (c). RM-E potency (expressed as the IC<sub>50</sub> in μM) for inhibition of proliferation of a panel of cell lines bearing KRAS<sup>G12C</sup> mutations (green bars) or other non-KRAS<sup>G12C</sup> mutations in the RAS pathway (blue bars) (d). Data shown in Figures a, b and c represent the mean of at least two independent studies, each performed in duplicate (error bars show the standard deviation). Data in Figure d are from a single study performed in triplicate.

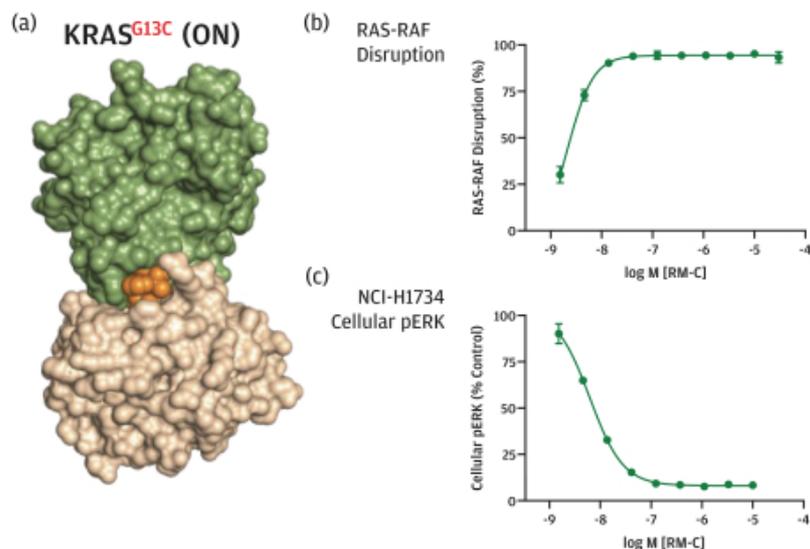
**Figure 13:** Tri-complex KRAS<sup>G12C</sup>(ON) inhibitor suppresses tumor growth in preclinical xenograft model of tumors harboring KRAS<sup>G12C</sup>



Anti-tumor activity of RM-B (100 mg/kg, intraperitoneal, daily; ip qd) in NSCLC CDX NCI-H358 KRAS<sup>G12C</sup> xenograft model in mice. Data represent mean tumor volume over time (a) or waterfall plot of individual end of study responses, with tumor volume expressed as a percentage of initial tumor volume at time of study start (truncated at 300%) (b). Number of mice per group = 10. In (a) data represent mean and errors bars represent standard error of the mean. In (b) each animal is represented as a separate bar. Numbers indicate number of regressions (defined as > 10% reduction in tumor volume from starting volume) in each group.

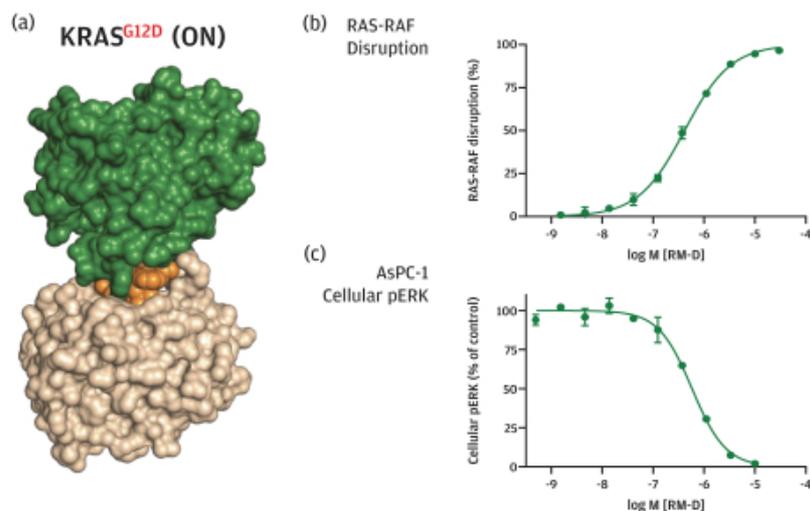
We are also able to leverage our findings with KRAS<sup>G12C</sup>(ON) more broadly to facilitate identification of selective tri-complex inhibitors of other RAS(ON) mutants. We are developing inhibitors of several “hotspot” RAS(ON) mutants, with KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup>, and NRAS<sup>G12C</sup> as particular priorities. We have identified compounds with functional activity in biochemical and cellular assays that measure RAS signaling pathway activity and have representative data for all of these variants (Figures 14, 15 and 16). We have the ability to target different RAS isoforms (i.e., isoform hopping), such as KRAS and NRAS, different mutational hotspots (i.e., hotspot hopping), such as G12 and G13, and different amino acid residues at a given hotspot (i.e., residue hopping), as exemplified by G12C and G12D. We use a common inhibitory mechanism that underscores the versatility of our tri-complex technology platform. Employing this technology, we have the opportunity to generate a broad portfolio of novel RAS(ON) inhibitors with potentially differentiated clinical profiles for use by patients with different tumor genotypes.

**Figure 14:** KRAS<sup>G13C</sup>(ON) tri-complex inhibitor RM-C disrupts KRAS<sup>G13C</sup>-RAF interaction and inhibits RAS pathway activity *in vitro* in cells bearing KRAS<sup>G13C</sup> mutation.



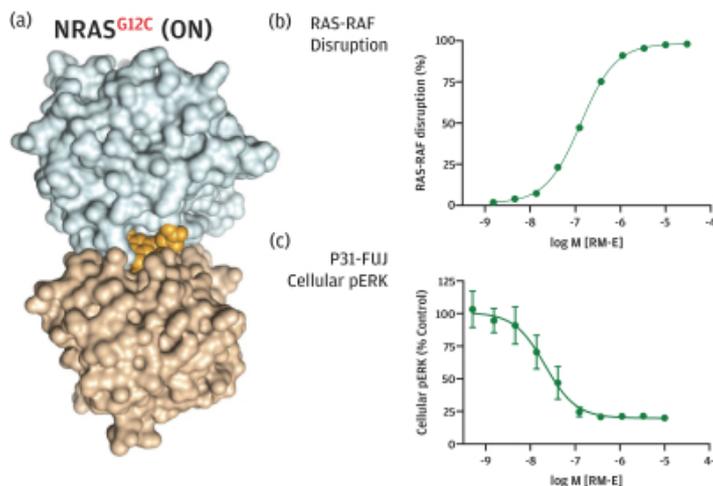
Surface representation of atomic resolution crystal structure of tri-complex of RM-C with KRAS<sup>G13C</sup> (loaded with a non-hydrolysable analog of GTP) and cyclophilin A (a). Biochemical characterization of the effect of KRAS<sup>G13C</sup>(ON) tri-complex inhibitor RM-C on the interaction between KRAS<sup>G13C</sup> (loaded with a non-hydrolysable analog of GTP) and the RAS binding domain (RBD) of BRAF was performed using a TR-FRET assay (RAS-RAF disruption) (b). RAS pathway activity in NSCLC NCI-H1734 KRAS<sup>G13C</sup> cells was monitored in 2D cell cultures using levels of ERK1/2 phosphorylation at Thr202/Tyr204 (cellular pERK) (c). Data shown in Figures b and c represent the mean of duplicate determinations (error bars show the standard deviation) from a single study. Data are representative of at least two independent studies, each performed in duplicate.

**Figure 15:** KRAS<sup>G12D</sup>(ON) tri-complex inhibitor RM-D disrupts KRAS<sup>G12D</sup>-RAF interaction and inhibits RAS pathway activity *in vitro* in cells bearing KRAS<sup>G12D</sup> mutation.



Surface representation of atomic resolution crystal structure of tri-complex of RM-D with KRAS<sup>G12D</sup> (loaded with a non-hydrolysable analog of GTP) and cyclophilin A (a). Biochemical characterization of the effect of KRAS<sup>G12D</sup> (ON) tri-complex inhibitor RM-D on the interaction between KRAS<sup>G12D</sup> (loaded with a non-hydrolysable analog of GTP) and the RAS binding domain (RBD) of BRAF was performed using a TR-FRET assay (RAS-RAF disruption) (b). RAS pathway activity in pancreatic AsPC-1 KRAS<sup>G12D</sup> cells was monitored in 2D cell cultures using levels of ERK1/2 phosphorylation at Thr202/Tyr204 (cellular pERK) (c). Data shown in Figures b and c represent the mean of duplicate determinations (error bars show the standard deviation) from a single study. Data in Figure c representative of at least two independent studies, each performed in duplicate.

**Figure 16:** NRAS<sup>G12C</sup>(ON) tri-complex inhibitor RM-E disrupts NRAS<sup>G12C</sup>-RAF interaction; inhibits RAS pathway activity *in vitro* in cells bearing NRAS<sup>G12C</sup> mutation.

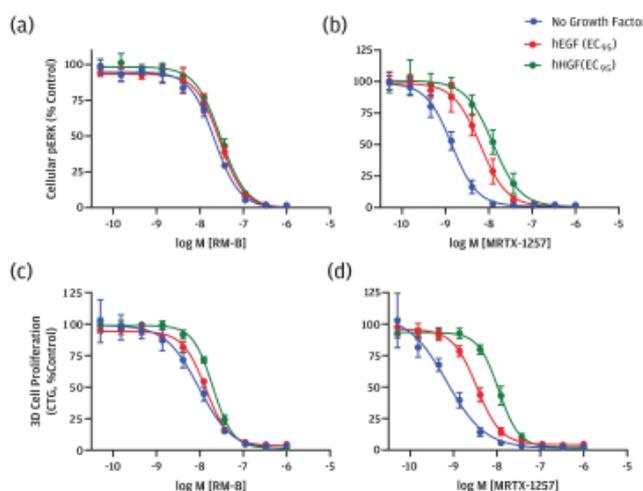


Surface representation of atomic resolution crystal structure of tri-complex of RM-E with NRAS<sup>G12C</sup> (loaded with a non-hydrolysable analog of GTP) and cyclophilin A (a). Biochemical characterization of the effect of NRAS<sup>G12C</sup> (ON) tri-complex inhibitor RM-E on the interaction between NRAS<sup>G12C</sup> (loaded with a non-hydrolysable analog of GTP) and the RAS binding domain (RBD) of BRAF was performed using a TR-FRET assay (RAS-RAF disruption) (b). RAS pathway activity in AML P31-FUJ NRAS<sup>G12C</sup> cells was monitored in 2D cell cultures using levels of ERK1/2 phosphorylation at Thr202/Tyr204 (cellular pERK) (c). Data shown in Figure b represent the mean of duplicate determinations (error bars show the standard deviation) from a single study. Data are representative of at least two independent studies, each performed in duplicate (error bars show the standard deviation).

### Reduced susceptibility of RAS(ON) inhibitors to adaptive resistance mechanisms, such as RTK activation

In tumor cells that are addicted to high levels of RAS activation, we believe that selective inhibitors of RAS(ON) will suppress cell growth and survival and be less susceptible to adaptive resistance mechanisms recognized for RAS(OFF) inhibitors, specifically the KRAS<sup>G12C</sup>(OFF) inhibitors that are currently in early clinical development. KRAS<sup>G12C</sup>(OFF) inhibitors are susceptible to any cellular perturbations that reduce the intracellular pool of KRAS(OFF). Central to the differentiated profile of KRAS<sup>G12C</sup>(ON) inhibitors is their relative insensitivity to cellular mechanisms that activate KRAS<sup>G12C</sup> and thereby increase the pool of KRAS<sup>G12C</sup>(ON) and decrease the pool of KRAS(OFF). We have demonstrated that the addition of growth factors to cells in order to directly activate RTKs (and hence increase the RAS(ON) pool) reduces the cellular potency of KRAS<sup>G12C</sup>(OFF) inhibitors but has much less effect on cellular potency of KRAS<sup>G12C</sup>(ON) inhibitors (Figure 17). These findings corroborate a previous published report that KRAS<sup>G12C</sup> target engagement by a representative KRAS<sup>G12C</sup>(OFF) inhibitor is significantly reduced by growth factor administration, consistent with the relative depletion of the therapeutic target.

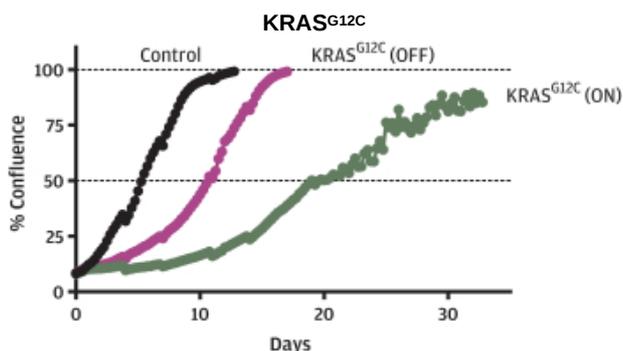
**Figure 17:** Differential susceptibility of KRAS<sup>G12C</sup>(ON) and KRAS<sup>G12C</sup>(OFF) inhibitors to the effects of RTK activation, via growth factor challenge, on inhibition of RAS pathway and cell proliferation *in vitro*.



RAS pathway activity and cell proliferation in NSCLC NCI-H358 KRAS<sup>G12C</sup> cancer cells were monitored in 2D cell cultures using levels of ERK1/2 phosphorylation at Thr202/Tyr204 after 4 hours of compound incubation (a and b) and in 3D cell cultures using CellTiter-Glo (CTG) after 5 days of compound incubation (c and d). The effects of activation of EGFR and MET receptor, by addition of growth factor ligands human EGF (hEGF) and human HGF (hHGF) (at their EC<sub>95</sub> concentrations) respectively, on the inhibitory potency of the KRAS<sup>G12C</sup>(ON) inhibitor RM-B (a and c) and KRAS<sup>G12C</sup>(OFF) inhibitor, MRTX1257 (b and d) is shown. Data shown in Figures a, b, c and d represent the mean of two independent studies, each performed in duplicate (error bars show the standard deviation).

Furthermore, using long-term proliferation studies *in vitro* to monitor cell proliferation over time, and by extension the durability of inhibitor effect, we have shown that the KRAS<sup>G12C</sup>(ON) inhibitors produce more durable growth inhibition compared to KRAS<sup>G12C</sup>(OFF) inhibitors (Figure 18). These data highlight the relative insensitivity of KRAS<sup>G12C</sup>(ON) inhibitors *in vitro* to activation of adaptive resistance mechanisms, such as RTK activation, which can be exploited by a tumor cell in response to suppression of the RAS signaling pathway. We believe these findings may be clinically relevant since the durability of response to RAS signaling pathway inhibitors is generally accepted to be a key factor impacting anti-tumor activity.

**Figure 18:** Effects of tri-complex KRAS<sup>G12C</sup>(ON) inhibitor or KRAS<sup>G12C</sup>(OFF) inhibitors on long term cell growth *in vitro*.

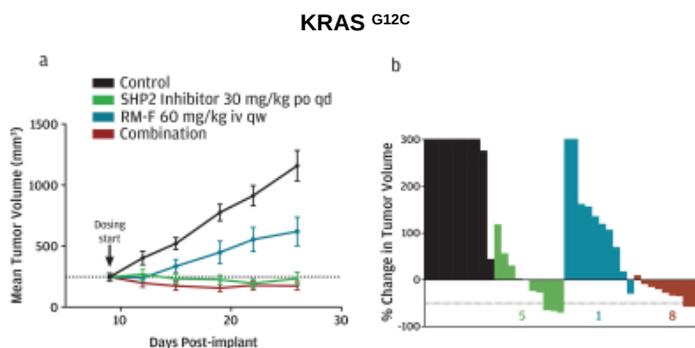


NSCLC NCI-H358 KRAS<sup>G12C</sup> cancer cells were maintained in 2D cell culture and cell proliferation (expressed as % confluence) monitored over time using the Incucyte imaging platform. Cells were incubated in the absence (control, black) or presence of KRAS<sup>G12C</sup>(OFF) (purple) or KRAS<sup>G12C</sup>(ON) (green) inhibitors at equi-efficacious concentrations, that is concentrations that produced 75% inhibition of proliferation in short-term growth studies. Under control conditions cells reached 100% confluence within ~ 10 days. Addition of the KRAS<sup>G12C</sup>(OFF) inhibitor tool compound, Mirati-11, inhibited cell growth, evident as an ~ 2-fold delay in the time to reach confluence (~ 20 days). In contrast, a representative KRAS<sup>G12C</sup>(ON) inhibitor (RM-E) caused a more sustained suppression of cell proliferation and confluence was not achieved during the time course of the experiment (~ 35 days). Data are from a single experiment, similar data have been obtained in another independent study.

**Combination strategy for KRAS<sup>G12C</sup>(ON) inhibitors**

The use of dual and even triple combination regimens to overcome adaptive resistance mechanisms to inhibitors of the RAS signaling pathway is well established based on clinical observations. We and others have demonstrated that robust combination benefit can be conferred in human cancer cell line xenograft models *in vivo* by combining a SHP2 inhibitor with a KRAS<sup>G12C</sup>(OFF) inhibitor. Using the long-term proliferation model, we observed robust combination benefit *in vitro* from combining a SHP2 inhibitor and a KRAS<sup>G12C</sup>(ON) inhibitor. While the molecular mechanism(s) underlying this combinatorial benefit has not been fully established, the combination of SHP2 inhibition and KRAS<sup>G12C</sup>(ON) inhibitor does demonstrably increase apoptosis, or programmed cell death, in a KRAS<sup>G12C</sup> cell line *in vitro*. Combination benefit was also observed *in vivo* for a SHP2 inhibitor and a KRAS<sup>G12C</sup>(ON) inhibitor (Figure 19).

**Figure 19:** Combination benefit for tri-complex KRAS<sup>G12C</sup>(ON) inhibitor and SHP2 inhibitor in preclinical xenograft model of tumors harboring KRAS<sup>G12C</sup> mutations.



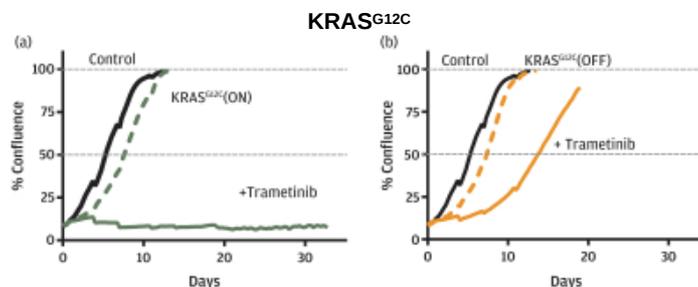
Anti-tumor activity of RM-F (60 mg/kg, intravenous, once weekly; iv qw) and SHP2 inhibitor (RMC-4550) (30 mg/kg, oral, daily; po qd) as single agents or in combination in NSCLC CDX NCI-H358 KRAS<sup>G12C</sup> xenograft model in mice. Data represent tumor volume over time (a) or waterfall plot of individual end of study

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responses, with tumor volume expressed as a percentage of initial tumor volume at time of study start (truncated at 300%) (b). Number of mice per group = 10. In (a) data represent mean, errors bars represent standard error of the mean. In (b) each animal is represented as a separate bar. Numbers indicate number of regressions (defined as > 10% reduction in tumor volume from starting volume) in each group.

Another rational combination partner for a KRAS<sup>G12C</sup>(ON) inhibitor is a MEK inhibitor. In the long-term *in vitro* proliferation model, dramatic combination benefit was demonstrated for a MEK inhibitor (trametinib) and a KRAS<sup>G12C</sup>(ON) inhibitor (Figure 20). Complete and sustained inhibition of cell growth and substantial cell death were observed. These effects are in contrast to the relatively rapid escape observed with the combination of a KRAS<sup>G12C</sup>(OFF) inhibitor and trametinib, in which cells reached full confluence within 20 days.

**Figure 20:** Effects of tri-complex KRAS<sup>G12C</sup>(ON) inhibitor or KRAS<sup>G12C</sup>(OFF) inhibitor alone and in combination with MEK inhibitor, trametinib, on long term cell growth *in vitro*.



NSCLC NCI-H358 KRAS<sup>G12C</sup> cancer cells were maintained in 2D cell culture and cell proliferation (expressed as % confluence) monitored over time using the Incucyte imaging platform. Cells were incubated in the absence (control, black) or presence of an EC<sub>50</sub> concentration of test articles. **(a)** Addition of KRAS<sup>G12C</sup>(ON) inhibitor (RM-E, dotted green line) produced a modest delay in the time for cells to reach 50% confluence, but the simultaneous addition of an EC<sub>50</sub> concentration of the MEK inhibitor trametinib (solid green line) caused complete inhibition of cell growth and no viable cells were apparent during the time course of the experiment (~35 days). **(b)** Addition of a KRAS<sup>G12C</sup>(OFF) inhibitor (Mirati-11, orange dotted line) produced a similar modest delay in the time for cells to reach 50% confluence and although the simultaneous addition of trametinib (solid orange line) caused a slight delay in cell proliferation, indicative of an initial combinatorial benefit, the cells escaped relatively quickly and approached full confluence within ~20 days. Data are from a single experiment, similar data have been obtained in another independent study.

These results can be interpreted within the framework of what is known regarding the mechanism of action of the respective compounds and their effects on RAS signaling pathway activity. Hyperactivation of RTKs accompanied by reactivation of RAS is a well-established response to MEK (or ERK) inhibition, reflecting relief of endogenous inhibitory feedback loops in the presence of the downstream inhibitor. Consistent with this hypothesis, others have shown that MEK inhibition reduces KRAS<sup>G12C</sup> target engagement by a representative KRAS<sup>G12C</sup>(OFF) inhibitor. In contrast, MEK inhibitor-induced activation of RAS does not antagonize the activity of a compound that inhibits KRAS<sup>G12C</sup>(ON) directly; rather, in this context the complementary mechanisms of the two agents can drive maximal pathway inhibition, which manifests as cell death.

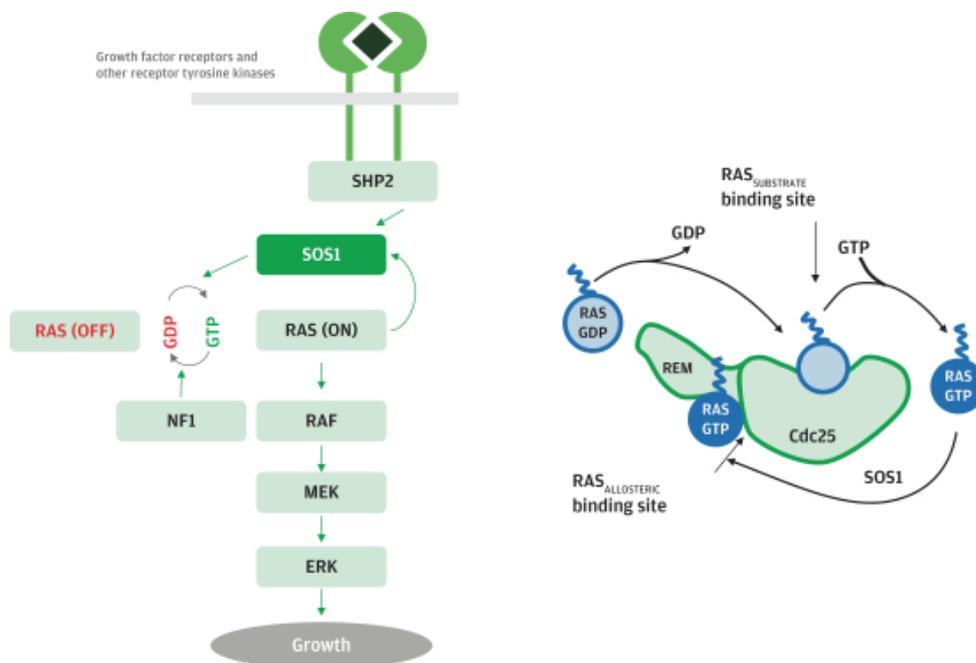
### Development strategy

Initially, we will prioritize four mutant RAS(ON) targets-KRAS<sup>G12C</sup>, KRAS<sup>G13C</sup>, KRAS<sup>G12D</sup>, and NRAS<sup>G12C</sup>-. We expect to nominate our first development candidate in 2020 and expect to select a lead series for a second target in 2020. We plan to evaluate our RAS(ON) inhibitors alone and in combination with other drugs and investigational new drugs, particularly in-pathway agents. We believe that targeted inhibition of various oncogenic RAS(ON) mutants represents a highly differentiated approach for treating the large population of patients with diverse RAS mutations, including NSCLC, colorectal, pancreatic and other cancers.

### Our SOS1 program

The SOS1 protein is responsible for stimulating the conversion of RAS from the inactive GDP-bound form (RAS(OFF)) to the active GTP-bound form (RAS(ON)) in response to growth factor receptor signaling. SOS1 directly activates RAS proteins by promoting the release of the bound GDP and thereby facilitating the binding of GTP, which is present within a cell in great excess to GDP, to generate RAS(ON). SOS1 itself is activated by RAS through the binding of RAS(ON) to an allosteric site on the SOS1 protein (Figure 21). As a result, there is a positive feedback loop between SOS1 and RAS that increases RAS signaling. The activation of RAS by SOS1 is “processive”; that is, once a single molecule of SOS1 is activated it can sequentially activate multiple RAS molecules. As a result, the potential for amplification of RAS signals by SOS1 is considerable. Therefore, we believe that inhibition of SOS1 may represent a viable approach for targeting RAS-driven tumors.

Figure 21



We have designed and synthesized a number of potent and selective inhibitors of SOS1. The current focus of our discovery program is to improve the potency and drug-like properties of compounds in this series. We are investigating the potential utility of SOS1 inhibitors alone and in combination with our other proprietary inhibitors of RAS signaling, such as our SHP2 inhibitors and mutant-selective RAS(ON) inhibitors, in a wide range of *in vitro* and *in vivo* models of genetically-defined cancers that are addicted to the RAS signaling pathway.

### Our 4EBP1/mTORC1 program

#### Overview

mTORC1 is a critical regulator of metabolism, growth and proliferation within cells, including cancer cells. The abnormal activation of mTORC1, and subsequent inactivation of the tumor suppressor 4EBP1, is a mechanism

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that is frequently harnessed by cancer cells to gain a growth and proliferation advantage over normal cells. Our preclinical development candidate, RMC-5552, selectively and deeply inhibits mTORC1, thereby preventing phosphorylation and inactivation of 4EBP1, a downstream protein in the mTOR signaling pathway that normally suppresses expression of certain oncogenes such as C-MYC. Approximately two-thirds of breast cancers contain oncogenic mutations that hyper-activate mTORC1. We advanced RMC-5552 into IND-enabling development in June 2019.

### *Preclinical studies*

RMC-5552 is a potent and selective inhibitor of mTORC1, that exhibits selectivity over mTORC2 and a broad panel of kinases (Figure 22).

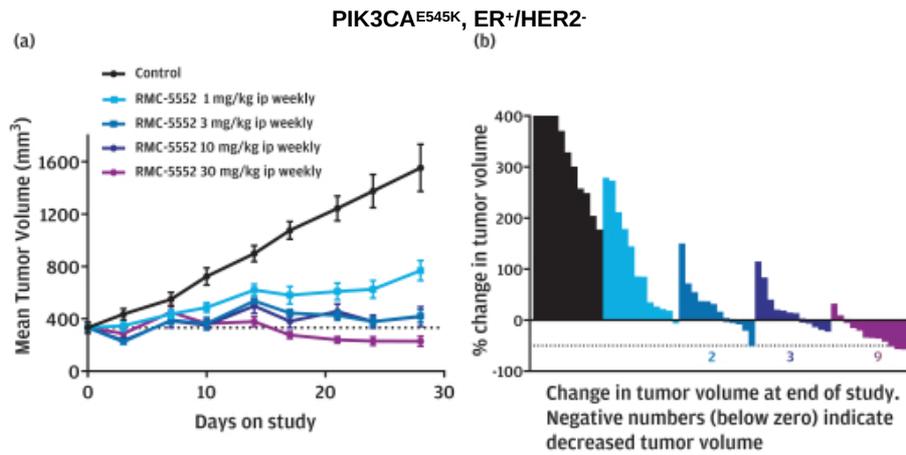
Figure 22: *In vitro* profile of RMC-5552

	<b>RMC-5552</b>
Inhibition of mTORC1: pS6K	0.14 nM
Inhibition of mTORC1: p4EBP1 <sup>1</sup>	0.48 nM
Selectivity over mTORC2: pAKT <sup>2</sup>	40X
Selectivity over kinases: e.g., PI3K <sup>2</sup>	53X

*In vitro* potency for RMC-5552 to inhibit phosphorylation of mTORC1 (pS6K and p4EBP1) and mTORC2 (pAKT) substrates was determined in MDA-MB-468 cells. Data represent mean of at least two independent determinations. Selectivity over mTORC2 represents ratio of potency values for inhibition of AKT phosphorylation to inhibition of 4EBP1 phosphorylation. Selectivity over other kinases e.g. PI3K, represents ratio of potency values for inhibition of PI3K-alpha to mTORC1 in a biochemical, synthetic peptide phosphorylation assay. 1 Rapamycin is not considered an inhibitor of 4EBP1 phosphorylation. 2 Active site inhibitors are not considered selective over mTORC2 or other kinases.

In a xenograft model of human breast cancer, in which an activating mutation in PIK3CA drives hyperactivation of the mTOR pathway, RMC-5552 inhibited tumor 4EBP1 phosphorylation at 48 hr post intraperitoneal administration of a 3 mg/kg or 10 mg/kg dose by 71% and 63%, respectively. RMC-5552 induced significant regression of tumors when administered weekly via intraperitoneal injection at doses that were well tolerated (Figure 23). Inhibition of tumor growth was also seen in models of ovarian, liver, bladder and head and neck cancers that collectively bear activating mutations in the mTOR signaling pathway, are addicted to production of oncogenic proteins, and/or are dependent on inactivation or loss of 4EBP1.

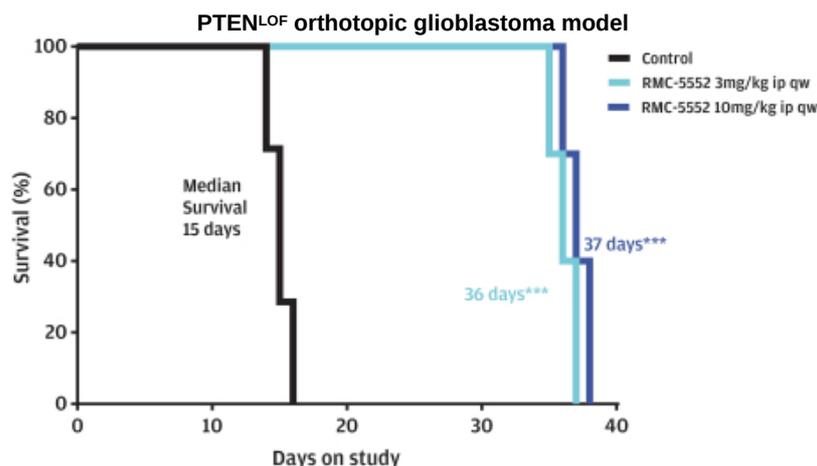
**Figure 23:** RMC-5552 drives tumor regressions in a preclinical xenograft model of breast cancer tumors harboring PIK3CA mutations.



Once weekly intraperitoneal administration of RMC-5552 (3 mg/kg, 10 mg/kg or 30 mg/kg ip qw) produces a dose-dependent inhibition of tumor growth in breast cancer MCF-7 ER-positive (ER<sup>+</sup>), HER2-negative (HER2<sup>-</sup>), PIK3CA<sup>E545K</sup> cancer cell line-derived xenograft model in mice. Data represent tumor volume over time (a) and waterfall plots of individual end of study responses with tumor volume expressed as a percentage of initial tumor volume at time of study start (truncated at 400%) (b). Number of mice per group = 12. In (a) data represent mean, errors bars represent standard error of the mean. In (b) each animal is represented as a separate bar. Numbers indicate number of regressions (defined as > 10% reduction in tumor volume from starting volume) in each group. Dotted line in panel (b) references 50% reduction in tumor volume.

We also tested RMC-5552 in the U87 cell line representing a human brain cancer, glioblastoma multiforme (Figure 24). In this model the tumors were implanted directly into the brains of immunodeficient mice to more accurately mimic the human disease. RMC-5552 was tested at two different doses, both of which were given once weekly via intraperitoneal injection. Because of the technical difficulties associated with measuring the size of tumors growing within the cranium, the main outcome measure for this experiment was duration of survival. RMC-5552 was well tolerated and prolonged survival at all doses tested. Based on the strength of our preclinical studies, we advanced RMC-5552 into IND-enabling development in June 2019. We expect to be ready to submit an IND for RMC-5552 in 2020.

**Figure 24:** RMC-5552 prolongs survival in a preclinical xenograft model of glioblastoma multiforme harboring PTEN<sup>LOF</sup>.



Anti-tumor activity of RMC-5552 (3 mg/kg and 10 mg/kg once weekly intraperitoneal administration, ip qw), in a U87MG-Luc (PTEN<sup>LOF</sup>) orthotopic glioblastoma model in mice. Data represent Kaplan–Meier curves showing percentage of animals meeting the survival endpoint in each treatment group for the duration of the study, number of animals per group = 10. RMC-5552 (3 mg/kg and 10 mg/kg (ip, qw) is statistically significantly different from control (\*\*\*)p<0.0001, Log-rank test).

### Commercial plan

We intend to retain significant development and commercialization rights to our product candidates and, if marketing approval is obtained, to commercialize our product candidates on our own, or potentially with a partner, in the United States and other regions. Our most advanced product candidate, RMC-4630, is the subject of a global collaboration with Sanofi. Unless otherwise delegated to us by the joint commercialization committee, Sanofi has the sole right and responsibility for all aspects of the commercialization of SHP2 inhibitors in the world for any and all uses, at its expense, subject to our right to elect to co-promote SHP2 inhibitors in the United States. In the United States, we will share equally with Sanofi the profits and losses applicable to commercialization of SHP2 inhibitor products. Sanofi is responsible for manufacturing SHP2 inhibitors for commercial supply and is expected to lead commercialization efforts through a joint commercialization committee representing the partners. We currently have no sales, marketing or commercial product distribution capabilities. We intend to build the necessary infrastructure and capabilities over time for the United States, and potentially other regions, following further advancement of our product candidates. Clinical data, the size of the addressable patient population, the size of the commercial infrastructure and manufacturing needs, and the status of our pipeline, may all influence or alter our commercialization plans.

### Collaboration agreement with Sanofi

In June 2018, we entered into a collaborative research, development and commercialization agreement with Aventis, Inc. (an affiliate of Sanofi), or the Sanofi Agreement, to research and develop SHP2 inhibitors, including RMC-4630, for any indications. The Sanofi Agreement was assigned to Genzyme Corporation, a Sanofi affiliate, in December 2018. For the purposes of this discussion, we refer to Genzyme Corporation as Sanofi. Pursuant to the Sanofi Agreement, we granted Sanofi a worldwide, exclusive, sublicenseable (subject to our consent in certain circumstances) license under certain of our patents and know-how to research, develop, manufacture, use, sell, offer for sale, import and otherwise commercialize SHP2 inhibitors, including RMC-4630, for any and

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all uses, subject to our exercise of rights and performance of obligations under the Sanofi Agreement. Such intellectual property exclusively licensed to Sanofi includes our interest under any of our solely-owned or jointly-owned inventions arising out of activities undertaken pursuant to the development of SHP2 inhibitor product candidates under the Sanofi Agreement.

Under the Sanofi Agreement, we have primary responsibility for performing preclinical research on SHP2 inhibitors, pursuant to an initial research plan and budget directed toward the identification, validation and optimization of SHP2 inhibitors for 2018-2020. The research plan and budget beyond 2020 will be determined by a joint research and development committee, over which Sanofi has final decision-making power subject to certain exceptions. We have primary responsibility for early clinical development of RMC-4630 pursuant to an initial development plan. The joint research and development committee is responsible for preparing development plans for other SHP2 inhibitors approved by such committee for development, if any. Sanofi is responsible for 80% of all internal and external research costs and expenses incurred under the research plan for 2019 and 2020, and for all other internal and external costs and expenses incurred to perform activities under the research and development plans. We are responsible for 20% of all internal and external research costs incurred under the research plan for 2019 and 2020, in which our share of these costs is estimated to be approximately \$2 million in total, representing less than three percent of the anticipated overall budget for the SHP2 program in 2019 and 2020. Sanofi is responsible for all costs under the development plan, and since our SHP2 program is in clinical development, the costs under the development plan are expected to be significantly greater than the costs under the research plan. We are responsible for the manufacture of SHP2 inhibitors for Phase 1 and non-registrational Phase 2 clinical trials at Sanofi's cost, while Sanofi is responsible for manufacturing SHP2 inhibitors for all other clinical trials and commercial supply. Sanofi has the sole right and responsibility to perform all regulatory activities under the Sanofi Agreement, except with respect to certain trials conducted by us or otherwise conducted under our IND, including our current clinical trials evaluating RMC-4630. Once we have completed all clinical trials for a product candidate that are assigned to us under a development plan, all regulatory approvals for such product candidate are automatically assigned to Sanofi. Unless otherwise delegated to us by the joint commercialization committee, Sanofi also has the sole right and responsibility for all aspects of the commercialization of SHP2 inhibitors in the world for any and all uses, at its expense, subject to our right to elect to co-promote SHP2 inhibitors in the United States. Sanofi is obligated to use commercially reasonable efforts to seek marketing approval for at least one SHP2 inhibitor product candidate in certain major market countries. Sanofi agrees to provide us, and we agree to provide Sanofi, with research, development and commercialization updates through the joint committees.

Pursuant to the Sanofi Agreement, we received an upfront payment of \$50 million from Sanofi in July 2018. Upon the achievement of specified development and regulatory milestones, Sanofi will be obligated to pay us up to \$520 million in the aggregate, including up to \$235 million upon the achievement of specified development milestones and up to \$285 million upon achievement of certain marketing approval milestones. In the United States, we will share equally with Sanofi the profits and losses applicable to commercialization of SHP2 inhibitor products, pursuant to a profit/loss share agreement that the parties will negotiate based on key terms agreed in the Sanofi Agreement. On a product-by-product basis, Sanofi will also be required to pay us tiered royalties on annual net sales of each product outside the United States ranging from high single digit to mid-teen percentages. The royalty payments are subject to reduction under specified conditions set forth in the Sanofi Agreement. Subject to certain exceptions, the royalties are payable on a product-by-product and country-by-country basis until the latest of the expiration of all valid claims covering such product in such country contained in the patents licensed to Sanofi under the Sanofi Agreement and the expiration of regulatory exclusivity for such product in such country.

Sanofi has the sole and exclusive right to file, prosecute and maintain any patents licensed to it pursuant to the Sanofi Agreement, as well as to enforce infringement of or defend claims against such patents that relate to SHP2 inhibitor products.

Unless terminated earlier, the Sanofi Agreement will continue in effect until the later of the expiration of all of Sanofi's milestone and royalty payment obligations and the expiration of the profit/loss share agreement. Upon expiration of the Sanofi Agreement, the licenses granted to Sanofi thereunder shall become fully paid-up, royalty-free, perpetual and irrevocable. Sanofi may terminate the Sanofi Agreement in its entirety or on a country-by-country or product-by-product basis for any reason or for significant safety concerns, upon prior notice to us within certain specified time periods. Sanofi may terminate the Sanofi Agreement in its entirety upon our change of control, with prior notice. Either party may terminate the Sanofi Agreement if an undisputed material breach by the other party is not cured within a defined period of time, or immediately upon notice for insolvency-related events of the other party. We may terminate the Sanofi Agreement after a certain number of years if Sanofi develops a competing program without commencing a registrational clinical trial for a SHP2 inhibitor product candidate, and subject to certain other conditions. We may also terminate the Sanofi Agreement at any time, if Sanofi ceases certain critical activities for SHP2 inhibitor product candidates for more than a specified period of time, provided that such cessations of critical activity were not a result of certain specified factors, and subject to certain other conditions. Upon any termination of the Sanofi Agreement with respect to any product or country, all licenses to Sanofi with respect to such product or country shall automatically terminate and all rights generally revert back to us. If the Sanofi Agreement is terminated, in its entirety or with respect to a product, other than by us for Sanofi's material breach or insolvency, we may be required to pay Sanofi royalties on worldwide net sales of reverted products up to mid-single digit percentages based on the development and regulatory status of such reverted products, in each case subject to reductions in accordance with the terms of the Sanofi Agreement.

## **Acquisition of Warp Drive**

In October 2018, we entered into an Agreement and Plan of Merger pursuant to which we acquired all outstanding shares of Warp Drive. In connection with the acquisition, we issued 33,079,554 shares of our Series B preferred stock and provided \$0.9 million in other consideration, for total consideration valued at \$69.0 million. The Agreement and Plan of Merger contained representations, warranties and covenants by, among and for the benefit of the parties, as well as mutual indemnification obligations.

## **Manufacturing**

We rely on and will continue to rely on our contract manufacturing organizations, or CMOs, for both drug substance and drug product. Currently, all of our manufacturing is outsourced to well-established third-party manufacturers. We have entered into contracts with CMOs for production of RMC-4630 and RMC-5552 drug substance and drug product for our clinical trials and IND-enabling development studies, respectively, and plan to enter into additional contracts with these or other manufacturers for additional supply.

Our outsourced approach to manufacturing relies on CMOs to first develop manufacturing processes that are compliant with current Good Manufacturing Practice, or cGMP, then produce material for preclinical and clinical studies. Our agreements with CMOs may obligate them to develop and qualify upstream and downstream processes, develop drug product process, validate (and in some cases develop) suitable analytical methods for test and release as well as stability testing, produce drug substance for preclinical testing, produce cGMP-compliant drug substance, or produce cGMP-compliant drug product. We, and Sanofi, conduct audits of CMOs prior to initiation of activities under these agreements and monitor operations to ensure compliance with the mutually agreed process descriptions and to cGMP regulations.

## **Competition**

The biotechnology and pharmaceutical industries, and the oncology sector, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property rights. While we believe that our

discovery programs, technology, knowledge, experience, and scientific resources provide us with competitive advantages, we face competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others.

Any product candidates that we successfully develop and commercialize will compete with currently approved therapies and new therapies that may become available in the future. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products and the ease of use and effectiveness of any complementary diagnostics and/or companion diagnostics.

There is a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. These treatments consist of small molecule drug products, biologics, cell-based therapies and traditional chemotherapy. There are also several programs in development targeting SHP2, including those clinical programs run by Novartis AG and Jacobio Pharmaceuticals Co. Ltd. There are several RAS pathway mutations programs, including those directed at KRAS<sup>G12C</sup>(OFF) and KRAS<sup>G12D</sup>(OFF) mutations, including clinical programs directed at KRAS<sup>G12C</sup>(OFF) being conducted by, Amgen Inc., Mirati Therapeutics, Inc. and Johnson & Johnson. Other clinical programs directed at mutant RAS are being conducted by Merck & Co./Moderna Therapeutics, and Gilead Sciences, Inc. Smaller and other early stage companies may also prove to be significant competitors. In addition, academic research departments and public and private research institutions may be conducting research on compounds that could prove to be competitive.

The availability of coverage and reimbursement from government and other third-party payors will also significantly affect the pricing and competitiveness of our products. Our competitors also may obtain U.S. Food and Drug Administration, or the FDA, or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

Many of the companies against which we may compete have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

## **Intellectual property**

Our success depends in part on our ability and the ability of our collaborators to obtain and maintain proprietary protection for our technology, programs, and know-how related to our business, defend and enforce our intellectual property rights, in particular, our patent rights, preserve the confidentiality of our trade secrets, and operate without infringing valid and enforceable intellectual property rights of others. We endeavor to establish, maintain and enforce intellectual property rights that protect our business interests.

The term of individual patents depends upon the legal term of patents in the countries in which they are obtained. In most countries in which we file, including the United States, the patent term is generally 20 years from the earliest date of filing a non-provisional patent application, assuming the patent has not been terminally disclaimed over a commonly-owned patent or a patent naming a common inventor, or over a patent not commonly owned but that was disqualified as prior art as the result of activities undertaken within the scope of a joint research agreement. In the United States, the term of a patent may also be eligible for patent

term adjustment for delays within the United States Patent and Trademark Office, or USPTO. In addition, for patents that cover an FDA-approved drug, the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, may permit a patent term extension of up to five years beyond the expiration of the patent. While the length of such patent term extension is related to the length of time the drug is under regulatory review, patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent per approved drug may be extended and only those claims covering the approved drug product, a method for using it or a method for manufacturing it may be extended. Similar provisions are available in Europe and certain other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive FDA approval, we expect to apply for patent term extensions on patents covering those products. We plan to seek any available patent term extension to any issued patents we may be granted in any jurisdiction where such extensions are available; however, there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions.

We also rely on trade secrets, know-how, and confidential information relating to our programs to develop and maintain our proprietary position, and seek to protect and maintain the confidentiality of such items to protect aspects of our business that are not amenable to, or that we do not presently consider appropriate for, patent protection. Our trade secrets include, for example, certain program specific syntheses, manufacturing schema, formulations, biomarkers, patient selection strategies, and certain aspects of our proprietary tri-complex technology platform. It is our policy to require our employees, consultants, contractors, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements prior to the commencement of employment or consulting relationships with us, and for employees, contractors and consultants to enter into invention assignment agreements with us. These agreements generally provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. Where applicable, the agreements provide that all inventions to which the individual contributed as an inventor shall be assigned to us, and as such, will become our property. There can be no assurance, however, that these agreements will be self-executing or otherwise provide meaningful protection or adequate remedies for our trade secrets or other proprietary information, including in the event of unauthorized use or disclosure of such information. We also seek to preserve the integrity and confidentiality of our trade secrets and confidential information by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in the measures we take to protect and preserve our trade secrets, such measures can be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. For more information regarding the risks related to intellectual property, please see "Risk Factors—Risks related to intellectual property."

#### ***Our program-specific patent portfolio***

Our patent portfolio is directed to small molecules, platform methodologies, and related technology. We seek patent protection for product candidates, development programs, and related alternatives by filing and prosecuting patent applications in the United States and other countries, as appropriate.

We own and co-own patent applications related to our SHP2 development program. As of July 31, 2019, our patent portfolio related to this program consists of ownership or co-ownership rights to three pending U.S. non-provisional patent applications, six pending applications under the Patent Cooperation Treaty, or PCT, and approximately 57 pending patent applications in other jurisdictions, including without limitation major markets such as Brazil, Canada, China, Europe, Japan, Mexico and South Korea, within eight total patent families that

include patent applications covering compositions of matter or methods of using our clinical candidate, RMC-4630, alone or in combination with certain other therapeutic agents. The single co-owned patent family is co-owned with The University of California, San Francisco, or UCSF. Any patents issuing from these patent applications would have nominal expiration dates ranging from 2037 to 2039, without accounting for any applicable patent term adjustments or extensions. All but the single UCSF co-owned family is exclusively licensed to our SHP2 collaborator, Sanofi, under the Sanofi Agreement.

We own or exclusively license patents and patent applications related to our 4EBP1/mTORC1 development program. As of July 31, 2019, our patent portfolio related to this program consists of ownership or the exclusive license of rights to one issued U.S. patent, two pending U.S. non-provisional patent applications, three pending PCT applications and nine pending patent applications in other jurisdictions, including without limitation major markets such as Canada, China, Europe, Japan and Mexico, within four total patent families that include filings covering compositions of matter or methods of using our development candidate, RMC-5552, alone or in combination with certain other therapeutic agents. The single exclusively licensed patent family is licensed from UCSF. The issued patent has, and any patents issuing from these patent applications would have, nominal expiration dates ranging from 2035 to 2039, without accounting for any applicable patent term adjustments or extensions.

We own patents and patent applications related to our RAS tri-complex inhibitors and related platform technology. As of July 31, 2019, our patent portfolio related to this program consists of ownership rights to four issued U.S. patents, five pending U.S. non-provisional patent applications, one pending PCT application and approximately nine pending patent applications in other jurisdictions, including without limitation major markets such as Canada, Europe and Japan, within six total patent families that include filings covering compositions of matter, methods of using those compositions alone or in combination with certain other therapeutic agents, or aspects pertaining to our tri-complex approach to RAS inhibition. The issued patents have, and any patents issuing from these patent applications would have, nominal expiration dates ranging from 2031 to 2038, without accounting for any applicable patent term adjustments or extensions.

## **Government regulation**

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, marketing and promotion, distribution, post-approval monitoring and reporting, sampling, and import and export of products, such as those we are developing. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

### ***U.S. drug regulation***

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and its implementing regulations. FDA approval is required before any new unapproved drug can be marketed in the United States. Drugs are also subject to other federal, state and local statutes and regulations. Failure to comply with applicable FDA or other requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA clinical holds, refusal to approve pending applications, withdrawal of an approval, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

The process required by the FDA before product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies, where all supporting safety and toxicity studies are performed in accordance with the FDA's Good Laboratory Practice, or GLP, regulations;
- manufacture of clinical drug supply in accordance with FDA's current Good Manufacturing Practice, or cGMP, regulations, when required;
- submission to the FDA of an investigational new drug application, or IND, which must become effective before human clinical studies may begin and must be updated annually or when significant changes are made;
- approval by an independent institutional review board, or IRB, representing each clinical site before a clinical study may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practice, or GCP, regulations to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a NDA;
- a determination by the FDA within 60 days of its receipt of an NDA to file the application for review;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility(ies) where the product is manufactured to assess compliance with current good manufacturing practice, or cGMP, regulations, and of selected clinical investigation sites to assess compliance with GCP; and
- FDA review and approval of an NDA to permit commercial marketing of the product for its particular labeled uses in the United States.

#### **Preclinical and clinical studies**

The preclinical and clinical testing and approval process can take many years and the actual time required to obtain approval, if any, may vary substantially based upon the type, complexity and novelty of the product or condition being treated.

Preclinical tests include laboratory (*in vitro*) evaluation of product chemistry, formulation and toxicity, as well as animal (*in vivo*) studies to assess the characteristics and potential safety and efficacy of the product. The conduct of preclinical tests that provide safety and toxicological information must comply with federal regulations and requirements, including GLP. The results of preclinical testing are submitted to the FDA as part of an IND along with other information, including information about product chemistry, manufacturing and controls (CMC) and any available human data or literature to support use of the product in humans. Long-term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

The central focus of an IND submission is on the general investigational plan and the protocol(s) for human studies. An IND must become effective before human clinical trials may begin. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to the proposed clinical studies. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before clinical studies can begin.

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For each successive clinical trial conducted with the investigational drug, a separate, new protocol submission to an existing IND must be made, along with any subsequent changes to the investigational plan. Sponsors are also subject to ongoing reporting requirements, including submission of IND safety reports for any serious adverse experiences associated with use of the investigational drug or findings from preclinical studies suggesting a significant risk for human subjects, as well as IND annual reports on the progress of the investigations conducted under the IND.

Clinical studies involve the administration of the investigational new drug to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for participation in each clinical study. Clinical studies are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the efficacy criteria to be evaluated. A protocol for each clinical study and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical study site's IRB before a study may be initiated at the site, and the IRB must monitor the study until completed. Sponsors of clinical trials generally must register and report ongoing clinical studies and clinical study results to public registries, including the website maintained by the U.S. National Institutes of Health, [ClinicalTrials.gov](http://ClinicalTrials.gov).

For purposes of NDA approval, human clinical trials are typically divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- *Phase 1.* The drug is initially introduced into healthy human subjects or into patients with the target disease or condition. These studies are designed to evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness.
- *Phase 2.* The drug is administered to a limited patient population to evaluate tolerance and optimal dose, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy. Multiple Phase 2 trials may be conducted to obtain additional data prior to beginning Phase 3 trials.
- *Phase 3.* The drug is administered to an expanded patient population, generally at geographically dispersed clinical study sites to generate enough data to statistically evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational product and to provide an adequate basis for product approval.
- *Phase 4.* In some cases, the FDA may condition approval of an NDA for a product candidate on the sponsor's agreement to conduct additional clinical studies after approval. In other cases, a sponsor may voluntarily conduct additional clinical studies after approval to gain more information about the drug. Such post-approval studies are typically referred to as Phase 4 clinical studies.

The FDA, the IRB or the clinical study sponsor may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. The sponsor may also suspend or terminate a clinical study based on evolving business objectives and/or competitive climate.

Concurrent with clinical trials, companies may complete additional *in vivo* studies and develop additional information about the characteristics of the product candidate. Companies must also finalize a process for manufacturing the product in commercially applicable quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product and, among other things, must use validated methods for testing the product against specifications to confirm its identity, strength, quality and purity. Additionally, appropriate packaging must be selected and tested and stability

studies must be conducted to demonstrate that the product does not undergo unacceptable deterioration over its shelf life.

#### *Submission of an NDA to the FDA*

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development and testing are submitted to the FDA in the form of an NDA requesting approval to market the product for one or more indications. The submission of an NDA requires payment of a substantial application user fee to the FDA, unless a waiver or exemption applies.

An NDA must include all relevant data available from pertinent preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational product to the satisfaction of the FDA.

The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an application for filing. In this event, the application must be resubmitted with the additional information and is subject to payment of additional user fees. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. Under applicable Prescription Drug User Fee Act, or PDUFA, performance goals, the FDA endeavors to review applications subject to standard review within ten to twelve months, and to review applications subject to priority review within six to eight months, depending on whether the drug is a new molecular entity.

The FDA may refer applications for novel drug products or drug products which present difficult questions of safety or efficacy to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, the FDA will typically inspect one or more clinical sites to assure that relevant study data was obtained in compliance with GCP requirements.

After the FDA evaluates the NDA and conducts inspections of manufacturing facilities, it may issue an approval letter or a complete response letter. A complete response letter indicates that the review cycle of the application is complete and the application is not ready for approval. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA may ultimately decide that an application does not satisfy the regulatory criteria for approval. If, or when, the deficiencies have been addressed to the FDA's satisfaction in a resubmission of the application, the FDA will issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

As a condition of NDA approval, the FDA may require a Risk Evaluation and Mitigation Strategy, or REMS, program to help ensure that the benefits of the drug outweigh its risks. If the FDA determines a REMS program

is necessary during review of the application, the drug sponsor must agree to the REMS plan at the time of approval. A REMS program may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate healthcare providers of the drug's risks, or other elements to assure safe use, such as limitations on who may prescribe or dispense the drug, dispensing only under certain circumstances, special monitoring and the use of patient registries. In addition, all REMS programs must include a timetable to periodically assess the strategy following implementation.

Further, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety and efficacy, and the FDA has the authority to prevent or limit further marketing of a product based on the results of these post-marketing programs. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing. Moreover, changes to the conditions established in an approved application, including changes in indications, labeling or manufacturing processes or facilities may require submission and FDA approval of a new NDA or NDA supplement before the changes can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that supporting the original approval, and the FDA uses similar procedures in reviewing supplements as it does in reviewing original applications.

#### *Expedited development and review programs*

The FDA offers a number of expedited development and review programs for qualifying product candidates, one or more of which may be available for our current or future products.

New drug products are eligible for fast track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a fast track product has opportunities for frequent interactions with the review team during product development and, once an NDA is submitted, the product may be eligible for priority review. A fast track product may also be eligible for rolling review, where the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

A product intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A product can receive breakthrough therapy designation if preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the fast track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product, including involvement of senior managers.

After an NDA is submitted for a product, including a product with a fast track designation and/or breakthrough therapy designation, the NDA may be eligible for priority review. A product is eligible for priority review if it has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. Depending on whether a drug contains a new molecular entity, priority review designation means the FDA's goal is to take an action on the marketing application within six to eight months of the 60-day filing date, compared with ten to twelve months under standard review.

Additionally, products studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a

surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

#### *Orphan drug designation*

We intend to pursue orphan drug designation with respect to oncology indications, as appropriate, with the potential to obtain orphan drug exclusivity for our products, if approved.

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States for which there is no reasonable expectation that the cost of developing and making available in the United States a drug for this type of disease or condition will be recovered from sales in the United States for that drug. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA, to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

#### *Pediatric information and pediatric exclusivity*

Under the Pediatric Research Equity Act, or PREA, certain NDAs and certain supplements to an NDA must contain data to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of pediatric data or full or partial waivers. The Food and Drug Administration Safety and Innovation Act, or FDASIA, amended the FDCA to require that a sponsor who is planning to submit a marketing application for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or iPSP, within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of a Phase 3 or Phase 2/3 study. The iPSP must include an outline of

the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the iPSP. A sponsor can submit amendments to an agreed-upon iPSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials and/or other clinical development programs.

A drug product can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study.

#### *Post-approval requirements*

Once an NDA is approved, a product will be subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to drug listing and registration, recordkeeping, periodic reporting, product sampling and distribution, adverse event reporting and advertising, marketing and promotion. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. While physicians may prescribe for off-label uses, manufacturers may only promote for the approved indications and in accordance with the provisions of the approved label. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing user fee requirements, under which FDA assesses an annual program fee for each product identified in an approved NDA. In addition, quality-control, drug manufacture, packaging and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced and announced inspections by the FDA and these state agencies, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval of a product if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;

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- fines, warning or untitled letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA may also require post-approval studies and clinical trials if the FDA finds that scientific data, including information regarding related drugs, deem it appropriate. The purpose of such studies would be to assess a known serious risk or signals of serious risk related to the drug or to identify an unexpected serious risk when available data indicate the potential for a serious risk. The FDA may also require a labeling change if it becomes aware of new safety information that it believes should be included in the labeling of a drug.

### ***International regulation***

In addition to regulations in the United States, we could become subject to a variety of foreign regulations regarding development, approval, commercial sales and distribution of our products if we seek to market our product candidates in other jurisdictions. Whether or not we obtain FDA approval for a product, we must obtain the necessary approvals by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and can involve additional product testing and additional review periods, and the time may be longer or shorter than that required to obtain FDA approval. The requirements governing, among other things, the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may negatively impact the regulatory process in others. If we fail to comply with applicable foreign regulatory requirements, we may be subject to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

### ***Other healthcare laws***

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business. Such laws include, without limitation, U.S. federal and state anti-kickback, fraud and abuse, false claims, consumer fraud, pricing reporting, data privacy and security, and transparency laws and regulations as well as similar foreign laws in jurisdictions outside the U.S.

For example, the federal Anti-Kickback Statute prohibits, among other things, individuals or entities from knowingly and willfully offering, paying, soliciting or receiving remuneration, directly or indirectly, overtly or covertly, in cash or in kind to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. A person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act and the civil monetary penalties statute. The federal civil and criminal false claims laws, including the civil False Claims Act, prohibit, among other things, any individual or entity from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or knowingly making, using or causing to be made or used a false record or statement material to a

false or fraudulent claim to the federal government. The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created additional federal civil and criminal statutes that prohibit, among other things, knowingly and willfully executing a scheme to defraud any healthcare benefit program. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the healthcare fraud statute implemented under HIPAA or specific intent to violate it in order to have committed a violation. The federal Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to report annually to CMS information related to payments or other transfers of value made to physicians and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by physicians and their immediate family members.

Similar state and local laws and regulations may also restrict business practices in the pharmaceutical industry, such as state anti-kickback and false claims laws, which may apply to business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or by patients themselves; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information or which require tracking gifts and other remuneration and items of value provided to physicians, other healthcare providers and entities; state and local laws that require the registration of pharmaceutical sales representatives; and state and local laws governing the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Violation of any of such laws or any other governmental regulations that apply may result in penalties, including, without limitation, civil and criminal penalties, damages, fines, additional reporting obligation, the curtailment or restructuring of operations, exclusion from participation in governmental healthcare programs and individual imprisonment.

#### ***Data privacy and security laws***

Pharmaceutical companies may be subject to U.S. federal and state health information privacy, security and data breach notification laws, which may govern the collection, use, disclosure and protection of health-related and other personal information. State laws may be more stringent, broader in scope or offer greater individual rights with respect to protected health information, or PHI, than HIPAA and state laws may differ from each other, which may complicate compliance efforts. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured PHI, a complaint about privacy practices or an audit by the Department of Health and Human Services, or HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. In addition, California enacted the California Consumer Privacy Act, or CCPA, which creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal data. The CCPA goes into effect on January 1, 2020, and the California Attorney General may bring enforcement actions for violations beginning July 1, 2020. The CCPA has been amended from time to time, and it remains unclear what, if any, further modifications will be made to this legislation or how it will be interpreted.

European Union member states, the United Kingdom, Switzerland and other jurisdictions have also adopted data protection laws and regulations, which impose significant compliance obligations. In the European Economic Area, or EEA, and the United Kingdom, the collection and use of personal data, including clinical trial

data, is governed by the provisions of the General Data Protection Regulation, or GDPR. The GDPR became effective on May 25, 2018, repealing its predecessor directive and increasing responsibility and liability of pharmaceutical companies in relation to the processing of personal data of EU data subjects. The GDPR, together with national legislation, regulations and guidelines of the EU member states and the United Kingdom governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. In particular, the GDPR includes obligations and restrictions concerning the consent of the individuals to whom the personal data relates, the information provided to such individuals, the transfer of personal data out of the EEA or the United Kingdom, security breach notifications, security and confidentiality of the personal data and imposition of substantial potential fines for breaches of the data protection obligations. European data protection authorities may interpret the GDPR and national laws differently and impose additional requirements, which add to the complexity of processing personal data in or from the EEA or United Kingdom. Guidance on implementation and compliance practices are often updated or otherwise revised.

#### ***Coverage and reimbursement***

Sales of any pharmaceutical product depend, in part, on the extent to which such product will be covered by third-party payors, such as federal, state and foreign government healthcare programs, commercial insurance and managed healthcare organizations, and the level of reimbursement for such product by third-party payors. Significant uncertainty exists as to the coverage and reimbursement status of any newly approved product. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. One third-party payor's decision to cover a particular product does not ensure that other payors will also provide coverage for the product. As a result, the coverage determination process can require manufacturers to provide scientific and clinical support for the use of a product to each payor separately and can be a time-consuming process, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

In addition, third-party payors are increasingly reducing reimbursements for pharmaceutical products and services. The U.S. government and state legislatures have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products. Third-party payors are more and more challenging the prices charged, examining the medical necessity and reviewing the cost effectiveness of pharmaceutical products, in addition to questioning their safety and efficacy. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit sales of any product. Decreases in third-party reimbursement for any product or a decision by a third-party payor not to cover a product could reduce physician usage and patient demand for the product.

In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Pharmaceutical products may face competition from lower-priced products in foreign countries that have placed price controls on pharmaceutical products and may also compete with imported foreign products. Furthermore, there is no assurance that a product will be considered medically reasonable and necessary for a specific indication, will be considered cost-effective by third-party payors, that an adequate level of

reimbursement will be established even if coverage is available or that the third-party payors' reimbursement policies will not adversely affect the ability for manufacturers to sell products profitably.

### **Healthcare reform**

In the United States and certain foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, was signed into law, which substantially changed the way healthcare is financed by both governmental and private insurers in the United States. The ACA contains a number of provisions, including those governing enrollment in federal healthcare programs, reimbursement adjustments and fraud and abuse changes. Additionally, the ACA increased the minimum level of Medicaid rebates payable by manufacturers of brand name drugs from 15.1% to 23.1%; required collection of rebates for drugs paid by Medicaid managed care organizations; imposed a non-deductible annual fee on pharmaceutical manufacturers or importers who sell certain "branded prescription drugs" to specified federal government programs; expanded eligibility criteria for Medicaid programs; created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, in 2017, Congress enacted the Tax Cuts and Jobs Act, which eliminated the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas, or the Texas District Court Judge, ruled that the individual mandate is a critical and inseparable feature of the ACA, and therefore, because it was repealed as part of the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. While the Texas U.S. District Court Judge, as well as the Trump Administration and CMS, have stated that the ruling will have no immediate effect, and on December 30, 2018 the Texas District Court Judge issued an order staying the judgment pending appeal, it is unclear how this decision, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA.

Other legislative changes have been proposed and adopted since the ACA was enacted, including aggregate reductions of Medicare payments to providers of 2% per fiscal year and reduced payments to several types of Medicare providers, which will remain in effect through 2027 absent additional congressional action. Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted legislation designed, among other things, to bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for pharmaceutical products. Individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures and, in some cases, mechanisms to encourage importation from other countries and bulk purchasing. Furthermore, there has been increased interest by third party payors and governmental authorities in reference pricing systems and publication of discounts and list prices.

## **Employees**

As of July 31, 2019, we had 87 full-time employees. 48 of our employees have M.D. or Ph.D. degrees. Within our workforce, 71 employees are engaged in research and development and 16 are engaged in business development, finance, legal, and general management and administration. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

## **Facilities**

Our corporate headquarters is located in Redwood City, California, where we lease and occupy approximately 42,000 square feet of office and laboratory space. The current term of our Redwood City lease expires in April 2023, with an option to extend the term through January 2028.

We sublease approximately 3,000 square feet of additional laboratory space in Redwood City, California from OncoMed Pharmaceuticals, Inc. The current term of this sublease expires in January 2020 and can be extended on a month-to-month basis.

We also lease approximately 22,000 square feet of office and laboratory space in Cambridge, Massachusetts. The current term of our Cambridge lease expires in February 2023, with an option to extend the term through February 2028, subject to certain conditions. We have subleased this office and laboratory space to Casma Therapeutics, Inc. The current term of this sublease expires in February 2023.

We believe our existing facilities are sufficient for our needs for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

## **Legal proceedings**

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

# Management

## Executive officers and directors

The following table sets forth information regarding our executive officers and directors as of July 31, 2019:

Name	Age	Position(s)
<b>Executive Officers and Employee Director</b>		
Mark A. Goldsmith, M.D., Ph.D.	57	President, Chief Executive Officer and Director
Steve Kelsey, M.D., FRCP, FRCPATH	58	President, Research and Development
Margaret Horn, J.D.	56	Chief Operating Officer and General Counsel
<b>Key Employees</b>		
Jack Anders	42	Vice President, Finance and Principal Accounting Officer
<b>Non-Employee Directors</b>		
Elizabeth McKee Anderson	61	Director
Alexis Borisy	47	Director
Neil Exter	61	Director
Larry Lasky, Ph.D.	68	Director
Vincent A. Miller, M.D.	57	Director
Thilo Schroeder, Ph.D.	38	Director
Barbara Weber, M.D.	62	Director

## Executive officers and employee director

**Mark A. Goldsmith, M.D., Ph.D.** has served as a member of our board of directors and as our President and Chief Executive Officer since November 2014. Since 2009, Dr. Goldsmith has served as a member of the board of directors of Constellation Pharmaceuticals, Inc., a biopharmaceutical company, where he also served as President and Chief Executive from 2009 to 2012, as Chairman from 2012 to June 2016, and from March 2017 to present, and as Interim Executive Chairman from June 2016 to March 2017. Dr. Goldsmith was previously a Partner with Third Rock Ventures, a life sciences venture capital firm, from March 2012 until March 2013, and a Venture Partner with Third Rock from March 2015 until March 2018. Dr. Goldsmith served as President and Chief Executive Officer and as a member of the board of directors of Global Blood Therapeutics, a biopharmaceutical company, from 2012 to 2014. Dr. Goldsmith also served as President and Chief Executive Officer of Nurix, Inc., a drug discovery company, from 2012 to 2014. Before entering the private sector, Dr. Goldsmith led a medical research laboratory at the Gladstone Institute of Virology and Immunology, practiced medicine on the faculty of the School of Medicine of the University of California, San Francisco and the San Francisco General Hospital, and was a consultant to leading pharmaceutical and biotechnology companies. Dr. Goldsmith received an A.B. from Princeton University in Biology and an M.D. and Ph.D. in Microbiology and Immunology from the School of Medicine of the University of California, San Francisco. We believe that Dr. Goldsmith's role as our President and Chief Executive Officer together with his extensive experience as an executive and director of several companies in the biopharmaceutical and biotechnology industry, his extensive knowledge of our company, his experience as a venture capital investor in the life sciences industry and his educational background provide him with the qualifications and skills necessary to serve as a member of our board of directors.

**Steve Kelsey, M.D., FRCP, FRCPath** has served as our President, Research and Development since March 2017. Previously, Dr. Kelsey served as President of Onkaido Therapeutics, a Moderna venture biopharmaceutical company, from 2014 to March 2017. Dr. Kelsey also served as Senior Vice President, New Projects at Medivation, a biopharmaceutical company, from 2013 to 2014. From 2009 to 2013, Dr. Kelsey served as Executive Vice President, Research and Development, and Chief Medical Officer at Geron Corporation, a biopharmaceutical company. Dr. Kelsey received a B.S.c in Pharmacology, an M.B. Ch.B. in Medicine and an M.D. from the University of Birmingham, U.K.

**Margaret Horn, J.D.** has served as our Chief Operating Officer since October 2018 and our General Counsel since December 2014 and previously served as our Executive Vice President from December 2014 to October 2018. Prior to joining us, Ms. Horn served as Chief Operating Officer at ProLynx LLC from 2010 to December 2014. Ms. Horn received a B.S. in Pharmacy from the University of the Sciences in Philadelphia and a J.D. from Villanova University Charles Widger School of Law.

## Key employees

**Jack Anders** has served as our Vice President, Finance since August 2018. Prior to joining us, Mr. Anders served in various roles at Depomed, Inc. from 2006 to July 2018, including most recently as Vice President, Finance from 2013 to 2018. Mr. Anders received a B.A. in Economics with an emphasis in Accounting from the University of California, Los Angeles and is a former certified public accountant.

## Non-employee directors

**Elizabeth McKee Anderson** has served as member of our board of directors since March 2015. Ms. Anderson has served as a member of the board of directors of BioMarin Pharmaceutical, a biotechnology company, since July 2019. Since November 2018, Ms. Anderson has served as a member of the board of directors of Inmed Incorporated, a biopharmaceutical company. Ms. Anderson has also served as a member of the board of directors of Huntsworth PLC, a healthcare communications group, since January 2018 and Bavarian Nordic A/S, a biotechnology company, since April 2017. Ms. Anderson previously served in various roles at Janssen Pharmaceuticals, Inc., a Johnson & Johnson company focusing on pharmaceuticals, from 2003 to 2014, most recently as Worldwide Vice President, Commercial Leader, Infectious Diseases and Vaccines, from 2012 to 2014 and Worldwide Vice President, Global Strategic Marketing and Market Access, Vaccines from 2009 to 2012. Prior to that, Ms. Anderson served as Vice President and General Manager for Wyeth Lederle Vaccines, a pharmaceutical company. Ms. Anderson received a B.Eng. in Engineering and Technical Management from Rutgers, The State University of New Jersey-New Brunswick and an M.B.A. in Finance from Loyola University of Maryland. We believe that Ms. Anderson's extensive experience in biotechnology and pharmaceutical companies and in serving on the boards of directors of biopharmaceutical and life sciences companies provides her with the qualifications and skills necessary to serve as a member of our board of directors.

**Alexis Borisy** has served as a member of our board of directors since November 2014. From 2010 to June 2019, Mr. Borisy was a Partner at Third Rock Ventures. Since June 2015, Mr. Borisy has served as a member of the board of directors of Magenta Therapeutics, Inc., a biopharmaceutical company. Mr. Borisy co-founded Blueprint Medicines Corporation, a biopharmaceutical company, and served as its Interim Chief Executive Officer from 2013 to 2014 and has served as a member of its board of directors since 2011. Mr. Borisy co-founded Foundation Medicine, Inc., or Foundation Medicine, a biotechnology company, where he served as its Interim Chief Executive Officer from 2009 to 2011 and served as a member of its board of directors from 2009 to July 2018, including as Chairman from 2011 to February 2017. Mr. Borisy previously served as a member of the board of directors of Editas Medicine, Inc., a pharmaceutical company, from 2013 to March 2018. Mr. Borisy received an A.B. in Chemistry from the University of Chicago and an A.M. in Chemistry and Chemical

Biology from Harvard University. We believe Mr. Borisy's extensive experience as an executive of, and working with and serving on the boards of directors of, multiple biopharmaceutical and life sciences companies, his educational background and his experience working in the venture capital industry provide him with the qualifications and skills necessary to serve as a member of our board of directors.

**Neil Exter** has served as a member of our board of directors during his current term since July 2019. Mr. Exter previously served as a member of our board of directors from November 2014 to March 2016. Mr. Exter has been a Partner at Third Rock Ventures since 2007. Prior to joining Third Rock Ventures, Mr. Exter was Chief Business Officer of Alantox Pharmaceuticals from 2006 until its acquisition by Amgen in 2007. Previously, he served as Vice President of Business Development for Millennium Pharmaceuticals from 2002 to 2006. Mr. Exter previously served as a member of the boards of directors of CytomX Therapeutics, a biopharmaceutical company, from December 2010 to December 2017, and Rhythm Pharmaceuticals, a biopharmaceutical company, from 2014 to June 2019. He is a member of the Research Committee of Children's Hospital Boston, the investment committee of the Innovation Research Fund at Partners Healthcare, and the board of directors of the New England Venture Capital Association. Mr. Exter received a B.S. from Cornell University, an M.S. from Stanford University, and an M.B.A. as a Baker Scholar from Harvard Business School. We believe that Mr. Exter's extensive experience as a venture capital investor in, and director of, several biotechnology companies, provides him with the qualifications and skills necessary to serve as a member of our board of directors.

**Larry Lasky, Ph.D.** has served as a member of our board of directors since December 2016. Since May 2014, Dr. Lasky has served as a Partner at The Column Group, a healthcare venture capital firm. Dr. Lasky served as a member of the board of directors of OncoMed Pharmaceuticals, Inc., a biopharmaceutical company, from 2004 to June 2018. From 2007 to May 2014, Dr. Lasky was a Partner of U.S. Venture Partners, a venture capital firm, focusing on investments in biotechnology companies. From 2002 to 2007, Dr. Lasky was a General Partner of Latterell Venture Partners, a healthcare venture capital firm that he co-founded. From 1982 to 2002, Dr. Lasky was a leading scientist at Genentech, where he attained the position of Genentech Fellow. Dr. Lasky received a B.A. in Music and Molecular Biology and a Ph.D. in Molecular Biology from the University of California, Los Angeles. We believe that Dr. Lasky's scientific expertise in biotechnology, and his extensive experience as a venture capital investor in, and director of, biotechnology companies, provide him with the qualifications and skills necessary to serve as a member of our board of directors.

**Vincent A. Miller, M.D.** has served as a member of our board of directors since September 2017. Since April 2019, Dr. Miller has served as a Strategic Advisor to Foundation Medicines. Previously, Dr. Miller served as Foundation Medicine's Senior Vice President, Clinical Development from 2011 to 2013 and served as Foundation Medicine's Chief Medical Officer from 2013 to April 2019. From 1991 to 2011, Dr. Miller served as an Attending Physician at Memorial Sloan-Kettering Cancer Center. Since 2011, Dr. Miller has served as a Consulting Physician, at Memorial Sloan-Kettering Cancer Center. Dr. Miller received a B.A. from the University of Pennsylvania in Mathematics and an M.D. from the University of Medicine and Dentistry of New Jersey in Newark. We believe that Dr. Miller's experience in the biotechnology industry, his extensive experience practicing medicine and his educational background provide him with the qualifications and skills necessary to serve as a member of our board of directors.

**Thilo Schroeder, Ph.D.** has served as a member of our board of directors since March 2018. Since 2012, Dr. Schroeder has been a Partner at Nextech Invest Ltd., or Nextech, a venture capital fund focused on investing in oncology companies. Since January 2018, Dr. Schroeder has served as a member of the board of directors of IDEAYA Biosciences, Inc., an oncology-focused biotechnology company. He also serves as a member of the board of directors of ImaginAB, Inc., an immune-oncology imaging company. Dr. Schroeder also served as a member of the board of directors of Blueprint Medicines Corp., a biopharmaceutical company, from 2014 to May 2015. Prior to joining Nextech in 2012, Dr. Schroeder worked in research specializing on the development of

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Designed Ankyrin Repeat Proteins (DARPin)s as specific protein inhibitors from 2007 to 2012. Dr. Schroeder received a B.S. in Biology from the Technical University of Darmstadt in Germany, an M.S. in Biotechnology from the École de Supérieure de Biotechnologie de Strasbourg in France, and a Ph.D. in Biochemistry from the University of Zurich in Switzerland. We believe that Dr. Schroeder's educational background, his experience as a board member of biotechnology and pharmaceutical companies, and his experience as an investor in life sciences companies provide him with the qualifications and skills necessary to serve as a member of our board of directors.

**Barbara Weber, M.D.** has served as a member of our board of directors since April 2018. Since September 2017, Dr. Weber has served as the President and Chief Executive Officer of Tango Therapeutics, Inc., a biotechnology company. Dr. Weber has been a Venture Partner at Third Rock Ventures since March 2015 and from April 2015 to September 2017 she served as Interim Chief Executive Officer at Neon Therapeutics, Inc., a biotechnology company. From 2009 to February 2015, Dr. Weber served as Senior Vice President, Oncology Translation Medicine at Novartis. Dr. Weber received a B.S. in Chemistry from the University of Washington and an M.D. from the University of Washington School of Medicine and was a resident in internal medicine at Yale University. We believe that Dr. Weber's experience as an officer and director of other biotechnology companies and her educational background provide her with the qualifications and skills necessary to serve as a member of our board of directors.

## **Board composition**

### ***Director independence***

Our board of directors currently consists of eight members. Our board of directors has determined that all of our directors, other than Dr. Goldsmith, qualify as "independent" directors in accordance with the Nasdaq Global Market listing requirements. Dr. Goldsmith is not considered independent because he is an employee of Revolution Medicines, Inc. The Nasdaq Global Market's independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as required by the Nasdaq Global Market rules, our board of directors has made a subjective determination as to each independent director that no relationship exists that, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

### ***Classified board of directors***

In accordance with our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering, our board of directors will be divided into three classes with staggered, three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election.

Effective upon the consummation of this offering, we expect that our directors will be divided among the three classes as follows:

- the Class I directors will be \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in \_\_\_\_\_ ;

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- the Class II directors will be held in ; and , and their terms will expire at the annual meeting of stockholders to be held in ; and
- the Class III directors will be held in .. , and , and their terms will expire at the annual meeting of stockholders to be held in ..

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company.

### ***Voting arrangements***

In June 2019, we entered into an Amended and Restated Voting Agreement, or the Voting Agreement, with certain holders of our capital stock, including certain members of, and affiliates of, our board of directors and certain of our executive officers.

Pursuant to the Voting Agreement, each of Third Rock Ventures, The Column Group and Nextech has the right to designate one member to be elected to our board of directors. The Voting Agreement will terminate by its terms in connection with the closing of this offering and none of our stockholders will have any continuing rights regarding the election or designation of members of our board of directors following this offering.

### **Leadership structure of the board**

Our amended and restated bylaws and corporate governance guidelines to be in place immediately prior to the consummation of this offering provide our board of directors with flexibility to combine or separate the positions of Chair of the board of directors and Chief Executive Officer and to implement a lead director in accordance with its determination that utilizing one or the other structure would be in the best interests of our company. presides over the executive sessions of the board of directors and acts as a liaison between management and the board of directors.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

### **Role of board in risk oversight process**

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings, and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies, and presents the steps taken by management to mitigate or eliminate such risks.

Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. While

our board of directors is responsible for monitoring and assessing strategic risk exposure, our audit committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The audit committee also monitors compliance with legal and regulatory requirements and considers and approves or disapproves any related person transactions. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

## **Board committees**

### ***Audit committee***

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee:

- appoints our independent registered public accounting firm;
- evaluates the independent registered public accounting firm's qualifications, independence and performance;
- determines the terms of engagement of the independent registered public accounting firm;
- reviews and approves the scope of the annual audit and the audit fee;
- discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly financial statements;
- approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;
- monitors the rotation of partners of the independent registered public accounting firm on our engagement team in accordance with requirements established by the SEC;
- is responsible for reviewing our audited consolidated financial statements and our management's discussion and analysis of financial condition and results of operations to be included in our annual and quarterly reports to be filed with the SEC;
- reviews our critical accounting policies and estimates;
- reviews all related party transactions on an ongoing basis;
- establishes procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal controls or auditing matters;
- annually reviews and assesses treasury functions including cash management process;
- discusses on a periodic basis, or as appropriate, with management, our policies and procedures with respect to risk assessment; and
- investigates any matters received, and reports to the Board periodically, with respect to ethics issues, complaints and associated investigations; and
- reviews the audit committee charter and the committee's performance at least annually.

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The current members of our audit committee are \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq Global Market. Our board of directors has determined that \_\_\_\_\_ is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the Nasdaq Global Market. Under the rules of the SEC, members of the audit committee must also meet heightened independence standards. Our board of directors has determined that each of the members of our audit committee are independent under the applicable rules of the SEC and the Nasdaq Global Market. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Market.

### ***Compensation committee***

Our compensation committee oversees policies relating to compensation and benefits of our officers and employees. Among other things, the compensation committee:

- reviews and approves or recommends corporate goals and objectives relevant to compensation of our executive officers, other than our Chief Executive Officer;
- evaluates the performance of our executive officers in light of those goals and objectives and approves the compensation of these officers based on such evaluations;
- reviews and approves or makes recommendations to our board of directors regarding the issuance of stock options and other awards under our stock plans to our executive officers, other than our Chief Executive Officer;
- reviews the performance of our Chief Executive Officer and makes recommendations to our board of directors with respect to his compensation and our board of directors retains the authority to make compensation decisions relative to our Chief Executive Officer;
- evaluates compliance with applicable compensation rules, regulations and guidelines and other law, as applicable; and
- reviews the performance of the compensation committee and its members, including compliance by the compensation committee at least annually.

The current members of our compensation committee are \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ serves as the chair of the committee. Each of the members of our compensation committee is independent under the applicable rules and regulations of the Nasdaq Global Market and is a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act. The compensation committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Market.

### ***Nominating and corporate governance committee***

The nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The current members of our nominating and corporate governance committee are \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ serves as the chair of the committee. Each of the members of our nominating and corporate governance committee is an independent director under the applicable rules and

regulations of the Nasdaq Global Market relating to nominating and corporate governance committee independence. The nominating and corporate governance committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Global Market.

### **Compensation committee interlocks and insider participation**

During the year ended December 31, 2018, our compensation committee consisted of Ms. Anderson, Mr. Borisy and Dr. Miller. None of the members of our compensation committee during 2018 nor any of the current members of our compensation committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers on our board of directors or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, please see "Certain relationships and related party transactions."

### **Board diversity**

Upon consummation of this offering, our nominating and corporate governance committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, may take into account many factors, including but not limited to the following:

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- experience in the life sciences industry;
- experience as a board member or executive officer of another publicly held company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- business judgment.

Currently, our board of directors evaluates, and following the consummation of this offering will evaluate, each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best exercise oversight of management and the business and effectively represent stockholder interests through the exercise of sound business judgment using its diversity and depth of experience in these various areas.

## **Code of business conduct and ethics**

Prior to the consummation of this offering, our board of directors will adopt a code of business conduct and ethics that will apply to all of our employees, officers and directors, including those officers responsible for financial reporting. Following the consummation of this offering, the code of business conduct and ethics will be available on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website or in public filings.

## **Limitation of liability and indemnification matters**

Our amended and restated certificate of incorporation, which will become effective immediately prior to the consummation of this offering, will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Each of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, will provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws will also obligate us to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions that will be included in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

## Executive and director compensation

This section discusses the material components of the executive compensation program for our executive officers who are named in the “2018 summary compensation table” below. In 2018, our “named executive officers” and their positions were as follows:

- Mark A. Goldsmith, M.D., Ph.D., our President and Chief Executive Officer;
- Steve Kelsey, M.D., our President, Research and Development; and
- Margaret Horn, J.D., our Chief Operating Officer and General Counsel.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion. As an “emerging growth company” as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

### 2018 summary compensation table

The following table sets forth all of the compensation awarded to or earned by or paid to our named executive officers during 2018.

Name and principal position	Year	Salary	Bonus	Option awards(1)	Non-equity incentive plan compensation(2)	All other compensation	Total
Mark A. Goldsmith, M.D., Ph.D. <i>President and Chief Executive Officer</i>	2018	\$489,567	—	\$ 582,915	\$ 232,500	—	\$1,304,982
Steve Kelsey, M.D. <i>President, Research and Development</i>	2018	405,000	—	81,934	152,150	—	639,084
Margaret Horn, J.D. <i>Chief Operating Officer and General Counsel</i>	2018	347,500	—	31,323	140,000	—	518,823

- (1) Amounts reported represent the aggregate grant date fair value of stock options granted to our named executive officers computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 10 to our consolidated financial statements included in this prospectus. Our named executive officers will only realize compensation to the extent the trading price of our common stock is greater than the exercise price of such stock options.
- (2) Represents payments made to our named executive officers upon the achievement of certain company performance objectives approved by our board of directors. Payments related to 2018 performance were paid in early 2019. A description of the annual performance bonuses paid to our named executive officers is set forth below under “2018 bonuses” below.

### Narrative to the summary compensation table

#### 2018 salaries

Our named executive officers each receive a base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive’s skill set, experience, role and responsibilities.

For fiscal year 2018, Dr. Goldsmith’s annual base salary was \$492,000, Dr. Kelsey’s annual base salary was \$414,000, and Ms. Horn’s annual base salary was \$375,000. The annual base salaries of Dr. Goldsmith, Dr. Kelsey and Ms. Horn were increased approximately 3%, 15% and 9% from their respective levels in 2017, effective March 1, 2018.

### **2018 bonuses**

We maintain an annual performance-based cash bonus program in which each of our named executive officers participated in 2018. Each named executive officer's target bonus is expressed as a percentage of base salary which can be achieved by meeting corporate goals at target level. The 2018 annual bonuses for Dr. Goldsmith, Dr. Kelsey and Ms. Horn were targeted at 45%, 35% and 35% of their respective base salaries, increased from 40%, 30% and 30% of base salary, respectively, for 2017.

For 2018, our named executive officers were eligible to earn annual cash bonuses based on the achievement of certain corporate performance objectives approved by the compensation committee and the board of directors as well as individual achievement, with corporate achievement weighted 90% and the individual achievement weighted 10%.

In early 2019, following review of our the achievement levels above, the board of directors approved overall achievement of our 2018 corporate goals at 105% and individual achievement at 105%, 105% and 120%, for Dr. Goldsmith, Dr. Kelsey and Ms. Horn, respectively. Based on these levels of achievement, Dr. Goldsmith, Dr. Kelsey and Ms. Horn were paid annual bonuses at 105%, 105% and 106% of their targeted amounts, respectively. The actual annual cash bonuses awarded to each named executive officer for 2018 performance are set forth above in the Summary compensation table in the column titled "Non-Equity Incentive Plan Compensation."

### **Equity compensation**

We currently maintain the 2014 Equity Incentive Plan, pursuant to which we may grant equity awards to certain of our service providers. In February 2018, we granted to Dr. Goldsmith, Dr. Kelsey and Ms. Horn options to purchase 1,087,560, 304,160 and 116,280 shares of our common stock, respectively, each of which vests with respect to 1/48<sup>th</sup> of the shares subject to the option on each monthly anniversary of March 1, 2018, subject to the executive's continued service on each applicable vesting date. In addition, in April 2018, we granted to Dr. Goldsmith an option to purchase 750,000 shares of our common stock, which vests with respect to 1/48<sup>th</sup> of the shares subject to the option on each monthly anniversary of March 29, 2018, subject to Dr. Goldsmith's continued service on each applicable vesting date. In October 2018, in connection with Ms. Horn's promotion from Executive Vice President and General Counsel to Chief Operating Officer and General Counsel, our board approved, effective as of the board's subsequent determination of the fair market value of our common stock, the grant of an option to purchase 500,000 shares of our common stock, which vests as to 1/48<sup>th</sup> of the shares subject to the option on each monthly anniversary of January 1, 2018, subject to Ms. Horn's continued service on each applicable vesting date. Such grant was made effective on March 13, 2019. Each option is exercisable immediately, in whole or in part, provided that shares acquired upon exercise of any unvested portion are subject to a right of repurchase by the Company.

In March 2019, we granted to Dr. Goldsmith, Dr. Kelsey and Ms. Horn options to purchase 1,936,538, 600,000 and 600,000 shares of our common stock, respectively, each of which vests with respect to 1/48<sup>th</sup> of the shares subject to the option on each monthly anniversary of March 13, 2019, subject to the executive's continued service on each applicable vesting date. In addition, in August 2019, we granted to Dr. Goldsmith, Dr. Kelsey and Ms. Horn options to purchase 2,839,200, 1,006,020 and 1,093,900 shares of our common stock, respectively, each of which vests with respect to 1/48<sup>th</sup> of the shares subject to the option on each monthly anniversary of August 9, 2019, subject to the executive's continued service to the Company on each applicable vesting date. Each option is exercisable immediately, in whole or in part, provided that shares acquired upon exercise of any unvested portion are subject to a right of repurchase by the Company.

We intend to adopt a 20 Incentive Award Plan, or the 20 Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our

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company and certain of its affiliates and to enable us to obtain and retain services of these individuals, which is essential to our long-term success. The 20 Plan will be effective on the day prior to the date the registration statement relating to this offering becomes effective. For additional information about the 20 Plan, please see the section titled "Equity compensation plans" below.

### Other elements of compensation

#### Retirement plans

We maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees. We introduced a discretionary company contribution match for 2019 equal to 50% of participant contributions, subject to a maximum company match of \$2,000. We did not match contributions made by participants prior to 2019. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

#### Employee benefits and perquisites

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including medical, dental and vision benefits, a cafeteria plan, short-term and long-term disability insurance, life insurance and pre-tax transit spending accounts. We do not currently provide any perquisites or other personal benefits to our named executive officers.

### Outstanding equity awards as of December 31, 2018

The following table provides information about outstanding equity awards held by each of our named executive officers at December 31, 2018. All awards were granted under our 2014 Equity Incentive Plan.

Name and principal position	Grant date	Vesting commencement date	Option awards				Stock awards	
			Number of securities underlying exercisable options(1)	Number of securities underlying unexercisable options(1)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested (\$)(2)
Mark A. Goldsmith, M.D., Ph.D. President and Chief Executive Officer	3/21/2017	12/1/2016(3)	500,000	500,000	0.10	3/20/2027	—	—
	2/12/2018	3/1/2018(3)	203,917	883,643	0.11	2/11/2028	—	—
	4/20/2018	3/29/2018(3)	140,625	609,375	0.23	4/19/2028	—	—
Steve Kelsey, M.D. President, Research and Development	3/21/2017	3/20/2017(4)	—	—	—	—	562,500	472,500
	2/12/2018	3/1/2018(4)	—	—	—	—	247,130	207,589
Margaret Horn, J.D. Chief Operating Officer and General Counsel	3/21/2017	3/20/2017(4)	—	—	—	—	50,000	42,000
	6/7/2017	6/7/2017(4)	—	—	—	—	93,750	78,750
	2/12/2018	3/1/2018(3)	21,802	94,478	0.11	2/11/2028	—	—

(1) Each stock option permits early exercise of the unvested portion of the award in exchange for restricted stock and was, therefore, fully exercisable as of December 31, 2018. The number of shares shown as exercisable and unexercisable reflect the number of shares vested and unvested, respectively, as of December 31, 2018.

(2) Amounts are calculated by multiplying the number of shares shown in the table by \$0.84, the estimated fair value of our common stock as of December 31, 2018.

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- (3) 1/48<sup>th</sup> of the shares subject to the option vest monthly measured from the vesting commencement date, subject to continued service on the applicable vesting date.
- (4) Represents shares of restricted stock acquired upon exercise of an option prior to vesting. The shares of restricted stock are subject to repurchase by us at the original exercise price upon a termination of service prior to vesting. The unvested shares reported vest in equal monthly installments through the fourth anniversary of the vesting commencement date subject to continued service through each applicable vesting date.

### **Executive compensation arrangements**

*Offer letters.* We have entered into offer letter agreements with each of our named executive officers in connection with his or her employment with us. These agreements set forth the terms and conditions of employment of each named executive officer, including initial base salary, target bonus opportunity and equity grants and employee benefits eligibility.

*Change in control separation benefits plan.* In September 2017, our board of directors adopted a Change in Control Separation Benefits Plan that provides severance benefits to employees of the Company, including our named executive officers, in the event of a termination by the Company without “cause” or a resignation for “good reason” (each as defined in the plan), in each case, within the period commencing three months prior to and ending 12 months following a change in control of the Company (such termination, a “qualifying termination”). In the event of a qualifying termination, our named executive officers would be eligible to receive (i) a cash lump sum payment equal to (A) 0.75x (or 1x, in the case of our Chief Executive Officer) his or her annual base salary plus (B) his or her annual target bonus, in each case, at the greater of the rate immediately in effect as of the qualifying termination or the change in control; (ii) payment or reimbursement of continued healthcare premiums pursuant to COBRA for up to the end of the ninth month (or the twelfth month, in the case of our Chief Executive Officer) following termination; and (iii) full accelerated vesting of any equity awards outstanding as of the date of the qualifying termination. All such severance benefits are subject to the participant signing a general release of all claims against the Company and its affiliates that becomes effective and irrevocable within 60 days after the termination of employment in a form reasonably acceptable to the Company.

In connection with this offering, we intend to enter into new employment arrangements with our currently employed named executive officers, which will supersede in their entirety their current offer letters and the terms of the Change in Control Separation Benefits Plan.

### **Equity compensation plans**

The following summarizes the material terms of the 2014 Plan, in which our named executive officers will be eligible to participate following the consummation of this offering, our 2014 Equity Incentive Plan, or the 2014 Plan, under which we have previously made periodic grants of equity and equity-based awards to our named executive officers and other key employees and the employee stock purchase plan that we intend to adopt in connection with the consummation of this offering.

#### **2014 Incentive Award Plan**

We intend to adopt the 2014 Plan, which will be effective on the day prior to the date the Company’s registration statement relating to this offering becomes effective. The principal purpose of the 2014 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the 2014 Plan, as it is currently contemplated, are summarized below.

*Share reserve.* Under the 2014 Plan, 1,000,000 shares of our common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights,

or SARs, restricted stock awards, restricted stock unit awards, performance bonus awards, performance stock unit awards, dividend equivalents, or other stock or cash based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the 20 Plan will be increased by (i) the number of shares represented by awards outstanding under our 2014 Plan ("2014 Plan Awards") that become available for issuance under the counting provisions described below following the effective date and (ii) an annual increase on the first day of each fiscal year beginning in 2020 and ending in 2029, equal to the lesser of (A) % of the shares of stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 20 Plan:

- to the extent that an award (including a 2014 Plan Award) expires, lapses or is terminated, converted into an award in respect of shares of another entity in connection with a spin-off or other similar event, exchanged for cash, surrendered, repurchased, canceled, in any case, in a manner that results in the Company acquiring the underlying shares at a price not greater than the price paid by the participant or not issuing the underlying shares, such unused shares subject to the award at such time will be available for future grants under the 20 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 20 Plan or 2014 Plan Award, such tendered or withheld shares will be available for future grants under the 20 Plan;
- to the extent shares subject to stock appreciation rights are not issued in connection with the stock settlement of stock appreciation rights on exercise thereof, such shares will be available for future grants under the 20 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards or 2014 Plan Awards will not be counted against the shares available for issuance under the 20 Plan; and
- shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 20 Plan.

*Administration.* The compensation committee of our board of directors is expected to administer the 20 Plan unless our board of directors assumes authority for administration. The board of directors may delegate its powers to a committee, which, to the extent required to comply with Rule 16b-3, is intended to comprise "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act. The 20 Plan provides that the board or compensation committee may delegate its authority to grant awards other than to individuals subject to Section 16 of the Exchange Act or officers or directors to whom authority to grant awards has been delegated.

Subject to the terms and conditions of the 20 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 20 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 20 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revert in itself the authority to administer the 20 Plan. The full board of directors will administer the 20 Plan with respect to awards to non-employee directors.

*Eligibility.* Awards under the 20 Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of certain of our subsidiaries. Such awards also may

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be granted to our directors. However, only employees of our company or certain of our subsidiaries may be granted incentive stock options, or ISOs.

**Awards.** The 20 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, restricted stock units, performance bonus awards, performance stock units, other stock- or cash-based awards and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Nonstatutory Stock Options*, or NSOs, will provide for the right to purchase shares of our common stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.
- *Incentive Stock Options*, or ISOs, will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 20 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted Stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.
- *Restricted Stock Units* may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Stock Appreciation Rights*, or SARs, may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our common stock over a set exercise price. The exercise price of any SAR granted under the 20 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant. SARs under the 20 Plan will be settled in cash or shares of our common stock, or in a combination of both, at the election of the administrator.
- *Performance Bonus Awards and Performance Stock Units* are denominated in cash or shares/unit equivalents, respectively, and may be linked to one or more performance or other criteria as determined by the administrator.

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- *Other Stock or Cash Based Awards* are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The administrator will determine the terms and conditions of other stock or cash based awards, which may include vesting conditions based on continued service, performance and/or other conditions.
- *Dividend Equivalents* represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are converted to cash or shares by such formula and such time as determined by the administrator. In addition, dividend equivalents with respect to an awards subject to vesting will either (i) to the extent permitted by applicable law, not be paid or credited or (ii) be accumulated and subject to vesting to the same extent as the related award.

Any award may be granted as a performance award, meaning that the award will be subject to vesting and/or payment based on the attainment of specified performance goals.

*Change in control.* In the event of a change in control, unless the administrator elects to terminate an award in exchange for cash, rights or other property, or cause an award to accelerate in full prior to the change in control, such award will continue in effect or be assumed or substituted by the acquirer, provided that any performance-based portion of the award will be subject to the terms and conditions of the applicable award agreement. In the event the acquirer refuses to assume or replace awards granted, prior to the consummation of such transaction, awards issued under the 20 Plan (other than any portion subject to performance-based vesting) will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. The administrator may also make appropriate adjustments to awards under the 20 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions.

*Adjustments of awards.* The administrator has broad discretion to take action under the 20 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the administrator will make equitable adjustments to the 20 Plan and outstanding awards.

*Amendment and termination.* The administrator may terminate, amend or modify the 20 Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule), and generally no amendment may materially and adversely affect any outstanding award without the affected participant's consent. Notwithstanding the foregoing, an option may be amended to reduce the per share exercise price below the per share exercise price of such option on the grant date and options may be granted in exchange for, or in connection with, the cancellation or surrender of options having a higher per share exercise price without receiving additional stockholder approval.

No incentive stock options may be granted pursuant to the 20 Plan after the tenth anniversary of the effective date of the 20 Plan, and no additional annual share increases to the 20 Plan's aggregate share limit will occur from and after such anniversary. Any award that is outstanding on the termination date of the 20 Plan will remain in force according to the terms of the 20 Plan and the applicable award agreement.

### **2014 Equity Incentive Plan**

Our board of directors adopted, and our stockholders approved, the 2014 Plan effective as of December 4, 2014. The 2014 Plan has subsequently been amended on multiple occasions to increase the number of shares issuable thereunder. The 2014 Plan provides for the grant of ISOs, NSOs, SARs, restricted stock, and restricted stock units. As of September 30, 2019, options to purchase \_\_\_\_\_ shares of our common stock at a weighted-average exercise price per share of \$ \_\_\_\_\_ and \_\_\_\_\_ shares of our common stock subject to restricted stock or restricted stock purchase awards remained outstanding under the 2014 Plan. Following this offering and in connection with the effectiveness of our 20 \_\_\_\_\_ Plan, the 2014 Plan will terminate and no further awards will be granted under the 2014 Plan. However, all outstanding awards will continue to be governed by their existing terms.

*Administration.* Our board of directors or a committee thereof appointed by our board of directors, has the authority to administer the 2014 Plan and the awards granted under it. The administrator's authority includes the authority to select the service providers to whom awards will be granted under the 2014 Plan, the number of shares to be subject to those awards under the 2014 Plan, and the terms and conditions of the awards granted. In addition, the administrator has the authority to construe and interpret the 2014 Plan and to adopt rules for the administration, interpretation and application of the 2014 Plan that are consistent with the terms of the 2014 Plan.

*Awards.* The 2014 Plan provides that the administrator may, subject to certain conditions, grant or issue options, including ISOs and NSOs, SARs, restricted stock and restricted stock units to employees, consultants and directors; provided that only employees may be granted ISOs.

- *Stock options.* The 2014 Plan provides for the grant of ISOs or NSOs. ISOs may be granted only to employees. NSOs may be granted to employees, directors or consultants. The exercise price of ISOs granted to employees who at the time of grant own stock representing more than 10% of the voting power of all classes of our common stock may not be less than 110% of the fair market value per share of our common stock on the date of grant, and the exercise price of ISOs granted to any other employees may not be less than 100% of the fair market value per share of our common stock on the date of grant. The exercise price of NSOs to employees, directors or consultants may not be less than 100% of the fair market value per share of our common stock on the date of grant.
- *Stock appreciation rights.* The 2014 Plan provides for the grant of SARs. Each SAR will be governed by a stock appreciation right agreement. The exercise price of SARs may not be less than 100% of the fair market value per share of our common stock on the date of grant.
- *Restricted stock awards.* The 2014 Plan provides for the grant of restricted stock awards. Each restricted stock award will be governed by a restricted stock award agreement, which will detail the restrictions on transferability, risk of forfeiture and other restrictions the administrator approves. In general, restricted stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered, whether voluntarily or by operation of law, until restrictions are removed or expire. Holders of restricted stock, unlike recipients of other equity awards, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse.
- *Restricted stock units.* The 2014 Plan provides that we may issue restricted stock unit awards which may be settled in either cash, common stock or a combination of both. Each restricted stock unit award will be governed by a restricted stock unit award agreement that will set forth any vesting conditions based on continued employment or service or on performance criteria established by the administrator. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have

vested, and recipients of restricted stock units generally will have no rights as a stockholder prior to the time when vesting conditions are satisfied.

*Adjustments of awards.* In the event of any change in or other event that occurs with respect to the common stock without receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, stock dividends, stock splits or other similar transactions), the administrator will make adjustments to the number and class of shares available for issuance under the 2014 Plan, the number and class of shares issuable pursuant to ISOs, and the number, class and price per share of outstanding awards.

*Change in control.* In the event of certain corporate transactions, including the sale of substantially all of the Company's assets, a sale or disposition of 90% of the outstanding securities of the Company, and certain mergers, consolidations and similar transactions, unless otherwise stated in an award agreement, the administrator will provide for one or more of the following actions: assumption or substitution of outstanding awards; assignment of reacquisition or repurchase rights held by the Company; or acceleration, cancellation or cash-out of outstanding awards. Awards may also be subject to additional acceleration in connection with a change in control pursuant to an award agreement or other written agreement with the Company.

*Amendment and termination.* Our board of directors may amend, suspend or terminate the 2014 Plan at any time, but no amendment will impair the rights of a holder of an outstanding award without the holder's consent. Except with respect to certain capitalization adjustments, an amendment of the 2014 Plan shall be subject to the approval of our stockholders to the extent required by applicable law. Following this offering and in connection with the effectiveness of our 2014 Plan, the 2014 Plan will terminate and no further awards will be granted under the 2014 Plan.

## **20 Employee Stock Purchase Plan**

We intend to adopt the 2014 Employee Stock Purchase Plan, which we refer to as our ESPP, which will be effective on the day prior to the date the registration statement relating to this offering becomes effective. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at periodic intervals, with their accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code. The material terms of the ESPP, as it is currently contemplated, are summarized below.

*Administration.* Subject to the terms and conditions of the ESPP, our compensation committee will administer the ESPP. Our compensation committee can delegate administrative tasks under the ESPP to the services of an agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

*Share reserve.* The maximum number of our shares of our common stock which will be authorized for sale under the ESPP is equal to the sum of (a) \_\_\_\_\_ shares of common stock and (b) an annual increase on the first day of each year beginning in 2014 and ending in 2019, equal to the lesser of (i) \_\_\_\_\_ % of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (ii) such number of shares of common stock as determined by our board of directors; provided, however, no more than \_\_\_\_\_ shares of our common stock may be issued under the ESPP. The shares reserved for issuance under the ESPP may be authorized but unissued shares or reacquired shares.

*Eligibility.* Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period, or the enrollment date. Our employees (and, if applicable, any employees of our subsidiaries) who customarily work

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less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

*Participation.* Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than % of their compensation. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount, and the accumulated deductions will be applied to the purchase of shares on each purchase date. However, a participant may not purchase more than shares in each offering period and may not accrue the right to purchase shares of common stock at a rate that exceeds \$25,000 in fair market value of shares of our common stock (determined at the time the option is granted) for each calendar year the option is outstanding (as determined in accordance with Section 423 of the Code). The ESPP administrator has the authority to change these limitations for any subsequent offering period.

*Offering.* Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, the duration and timing of which will be determined by the ESPP administrator. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing trading price per share of our common stock on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the purchase date, which will occur on the last trading day of each offering period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (i) receive a refund of the participant's account balance in cash without interest or (ii) exercise the participant's option for the current offering period for the maximum number of shares of common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

*Adjustments upon changes in recapitalization, dissolution, liquidation, merger or asset sale.* In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase under the ESPP and the maximum number of shares which a participant may elect to purchase in any single offering period. If there is a proposal

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to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing at least 10 business days prior to the new exercise date. If we undergo a merger with or into another corporation or sell all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing at least 10 business days prior to the new exercise date.

*Amendment and termination.* Our board of directors may amend, suspend or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

### Director compensation

We have entered into board member letters with each of Ms. Anderson, Dr. Miller and Dr. Weber, who were during 2018 non-employee directors not affiliated of one of our principal investors, whom we refer to as our non-employee, non-investor directors. Pursuant to these letters, each of Ms. Anderson, Dr. Miller and Dr. Weber were eligible to receive:

- an annual board retainer of \$30,000;
- in connection with his or her initial appointment to our board of directors, an option to purchase 150,000 shares of our common stock, which vests as to 25% of the shares subject to the option on the first anniversary of the grant date and as to 6.25% of the shares subject to the option on each quarterly anniversary thereafter, subject to continued service; and
- following the second anniversary of service, in the discretion of the board of directors, additional annual grants of an option to purchase 30,000 shares of our common stock, which vests as to 1/12<sup>th</sup> of the shares on each monthly anniversary of the grant date, subject to continued service.

Our directors who are either our employees, including Dr. Goldsmith, or are affiliated with one of our principal investors do not currently receive any compensation for their service as directors. However, we reimburse our non-employee directors for reasonable out of pocket travel or other expenses for Company business as approved by the Company. Dr. Goldsmith's compensation as our President and Chief Executive Officer is set forth in the summary compensation table above.

#### 2018 director compensation table

The following table sets forth all of the compensation awarded to or earned by or paid to non-employee directors during 2018.

Name	Fees earned or paid in cash	Option awards(1)	Total
Elizabeth McKee Anderson	\$ 30,000	\$ 11,276	\$41,276
Alexis Borisy	—	—	—
Laurence Lasky, Ph.D.	—	—	—
Vincent Miller, M.D.	30,000	—	30,000
Thilo Schroeder, Ph.D.	—	—	—
Barbara Weber, M.D.(2)	22,500	58,208	80,708

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- (1) Amounts reported represent the aggregate grant date fair value of stock options granted to our non-employee directors during 2018 under our 2014 Equity Incentive Plan, computed in accordance with ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 10 to our consolidated financial statements included in this prospectus. As of December 31, 2018, Ms. Anderson held an outstanding option to purchase 30,000 shares and Dr. Weber held an outstanding option to purchase 150,000 shares of common stock. No other non-employee directors held stock options or other equity awards as of December 31, 2018.
- (2) Dr. Weber joined the board of directors in April 2018.

In March 2019, our board granted to Ms. Anderson an option to purchase 30,000 shares, which vests as to 1/12th of the shares subject to the option on each monthly anniversary thereafter, subject to continued service to the Company.

In June 2019, following a market assessment of the compensation paid to our non-employee, non-investor directors, our board approved increasing the initial option grant to 266,000 shares and the annual option grant to 70,000 shares, with the initial option grant vesting as to 25% of the shares subject to the option on the first anniversary of the grant date and as to 1/48th of the shares subject to the option on each monthly anniversary thereafter, subject to continued service to the Company, and the annual option grant continuing to vest as to 1/12th of the shares on each monthly anniversary of the grant date, subject to continued service to the Company.

In July 2019, in connection with his change in status to a non-employee, non-investor director, our board granted to Mr. Borisy an initial option grant to purchase 266,000 shares and an annual option grant to purchase 70,000 shares, which vest as described above.

In August 2019, our board granted additional options to each of our non-employee, non-investor directors. Drs. Miller and Weber each received an option to purchase 70,000 shares of common stock, which vest as to 1/12th of the shares on each monthly anniversary of September 27, 2019 and April 12, 2020, respectively, subject to continued service to the Company. In addition, Ms. Anderson was granted an option to purchase 91,240 shares of our common stock, Mr. Borisy was granted an option to purchase 18,900 shares of our common stock, and each of Drs. Miller and Weber were granted an additional option to purchase 87,580 shares of common stock, each of which were intended to position the director's compensation closer to market. Ms. Anderson's option vests as to 1/12th of the shares subject to the option on each monthly anniversary of the grant date, Mr. Borisy's option vests as to 1/48th of the shares subject to the option on each monthly anniversary of the grant date, Dr. Miller's option for 87,580 shares vests as to 1/24th of the shares on each monthly anniversary of the grant date, and Dr. Weber's option for 87,580 shares vests as to 1/30th of the shares on each monthly anniversary of the grant date, in each case, subject to continued service.

Each of the options we have granted to our non-employee, non-investor directors are exercisable immediately, in whole or in part, provided that shares acquired upon exercise of any unvested portion are subject to a right of repurchase by the Company.

We intend to approve and implement a compensation program for our non-employee directors to be effective in connection with the consummation of this offering, which will supersede the current arrangements with our non-employee, non-investor directors and apply broadly to all of our non-employee directors.

## Certain relationships and related party transactions

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, with our directors and executive officers, including those discussed in the sections titled "Management" and "Executive and director compensation," the following is a description of each transaction since January 1, 2016 in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

### Sales and purchases of securities

#### *Series A preferred stock financing extension*

In February, July, October and December 2016 and April and May 2017, we issued an aggregate of 50,194,267 shares of our Series A Preferred Stock at a price per share of \$1.00 for aggregate proceeds to us of \$50,194,267.00. The table below sets forth the number of shares of Series A Preferred Stock sold in 2016 and 2017 to our directors, executive officers or beneficial owners of more than 5% of a class of our capital stock, or an affiliate or immediate family member thereof:

Name	Number of shares of Series A preferred stock	Purchase price (\$)
Entities Affiliated with Third Rock Ventures(1)(2)(3)	25,000,000	\$ 25,000,000.00
Entities Affiliated with The Column Group(4)(5)	25,000,000	\$ 25,000,000.00

- (1) (i) Third Rock Ventures III, L.P. purchased 20,000,000 shares of Series A Preferred Stock for a total purchase price of \$20,000,000.00 and (ii) Third Rock Ventures IV, L.P. purchased 5,000,000 shares of Series A Preferred Stock for a total purchase price of \$5,000,000.00. Entities affiliated with Third Rock Ventures became beneficial owners of (in the aggregate) more than 5% of our capital stock upon the initial closing of the Series A Preferred Stock financing.
- (2) Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time of the Series A Preferred Stock financing, was then an affiliate of Third Rock Ventures.
- (3) Michael Bonney, who was a member of our board of directors at the time of the Series A Preferred Stock financing, was then a partner of Third Rock Ventures.
- (4) (i) The Column Group III, LP purchased 11,740,876 shares of Series A Preferred Stock for a total purchase price of \$11,740,876.00 and (ii) The Column Group III-A, LP purchased 13,259,124 shares of Series A Preferred Stock for a total purchase price of \$13,259,124.00. Entities affiliated with The Column Group became beneficial owners of (in the aggregate) more than 5% of our capital stock during the course of the Series A Preferred Stock financing.
- (5) Laurence Lasky, Ph.D., who is currently a member of our board of directors and was a member of our board of directors at the time of the Series A Preferred Stock financing, is and was then an affiliate of The Column Group.

**Series B preferred stock financing**

In March, June and November 2018, we issued an aggregate of 39,740,031 shares of our Series B Preferred Stock at a price per share of \$1.50 for those shares issued in March and June 2018 and \$2.06 for those shares issued in November 2018, for aggregate proceeds to us of \$60,796,920.58. The table below sets forth the number of shares of Series B Preferred Stock sold to our directors, executive officers or beneficial owners of more than 5% of a class of our capital stock, or an affiliate or immediate family member thereof:

Name	Number of shares of Series B preferred stock	Purchase price (\$)
Entities Affiliated with Third Rock Ventures(1)(2)	3,333,333	\$ 4,999,999.50
Entities Affiliated with The Column Group(3)(4)	13,333,332	\$ 19,999,998.00
Nextech V Oncology S.C.S., SICAV-SIF(5)(6)	7,637,540	\$ 11,999,999.44

- (1) (i) Third Rock Ventures III, L.P. purchased 1,666,666 shares of Series B Preferred Stock for a total purchase price of \$2,499,999.00 and (ii) Third Rock Ventures IV, L.P. purchased 1,666,667 shares of Series B Preferred Stock for a total purchase price of \$2,500,000.50. Entities affiliated with Third Rock Ventures were beneficial owners of (in the aggregate) more than 5% of our capital stock at the time of the Series B Preferred Stock financing.
- (2) Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time of the Series B Preferred Stock financing, was then an affiliate of Third Rock Ventures.
- (3) (i) The Column Group III, LP purchased 3,130,900 shares of Series B Preferred Stock for a total purchase price of \$4,696,350.00, (ii) The Column Group III-A, LP purchased 3,535,766 shares of Series B Preferred Stock for a total purchase price of \$5,303,649.00, (iii) Ponoï Capital, LP purchased 3,333,333 shares of Series B Preferred Stock for a total purchase price of \$4,999,999.50 and (iv) Ponoï Capital II, LP purchased 3,333,333 shares of Series B Preferred Stock for a total purchase price of \$4,999,999.50. Entities affiliated with The Column Group were beneficial owners of (in the aggregate) more than 5% of our capital stock at the time of the Series B Preferred Stock financing.
- (4) Laurence Lasky, Ph.D., who is currently a member of our board of directors and was a member of our board of directors at the time of the Series B Preferred Stock financing, is, and was then, an affiliate of The Column Group.
- (5) Thilo Schroeder, Ph.D., who is currently a member of our board of directors and was a member of our board of directors at the time of the Series B Preferred Stock financing, is, and was then, an affiliate of Nextech V Oncology S.C.S., SICAV-SIF.
- (6) Nextech V Oncology S.C.S., SICAV-SIF became a beneficial owner of (in the aggregate) more than 5% of our capital stock during the course of the Series B Preferred Stock financing.

**Series C preferred stock financing**

In June and July 2019, we issued an aggregate of 48,683,038 shares of our Series C Preferred Stock at a price per share of \$2.06 for aggregate proceeds of \$100,287,058.28. The table below sets forth the number of shares of Series C Preferred Stock sold to our directors, executive officers or beneficial owners of more than 5% of a class of our capital stock, or an affiliate or immediate family member thereof:

Name	Number of shares of Series C preferred stock	Purchase price (\$)
Entities Affiliated with Third Rock Ventures(1)(2)	485,437	\$ 1,000,000.22
Entities Affiliated with The Column Group(3)(4)	485,437	\$ 1,000,000.22
Nextech V Oncology S.C.S., SICAV-SIF(5)(6)	2,669,903	\$ 5,500,000.18

- (1) (i) Third Rock Ventures III, L.P. purchased 242,719 shares of Series C Preferred Stock for a total purchase price of \$500,001.14 and (ii) Third Rock Ventures IV, L.P. purchased 242,718 shares of Series C Preferred Stock for a total purchase price of \$499,999.08. Entities affiliated with Third Rock Ventures were beneficial owners of (in the aggregate) more than 5% of our capital stock at the time of the Series C Preferred Stock financing.
- (2) Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time of the Series C Preferred Stock financing, was then an affiliate of Third Rock Ventures.
- (3) (i) The Column Group III, LP purchased 227,978 shares of Series C Preferred Stock for a total purchase price of \$469,634.68 and (ii) The Column Group III-A, LP purchased 257,459 shares of Series C Preferred Stock for a total purchase price of \$530,365.54. Entities affiliated with The Column Group were beneficial owners of (in the aggregate) more than 5% of our capital stock at the time of the Series C Preferred Stock financing.
- (4) Laurence Lasky, Ph.D., who is currently a member of our board of directors and was a member of our board of directors at the time of the Series C Preferred Stock financing, is, and was then, an affiliate of The Column Group.

- (5) Thilo Schroeder, Ph.D., who is currently a member of our board of directors and was a member of our board of directors at the time of the Series C Preferred Stock financing, is, and was then, an affiliate of Nextech V Oncology S.C.S., SICAV-SIF.
- (6) Prior to the Series C Preferred Stock financing, Nextech V Oncology S.C.S., SICAV-SIF was a beneficial owner of more than 5% of our capital stock.

## **Director and executive officer compensation**

Please see “Executive and director compensation” for information regarding the compensation of our directors and executive officers.

## **Employment agreements**

We have entered into employment agreements with our executive officers. For more information regarding these agreements, see “Executive and director compensation—Narrative to the summary compensation table” and “Executive and director compensation—Outstanding equity awards as of December 31, 2018.”

## **Indemnification agreements and directors’ and officers’ liability insurance**

We have entered into or intend to enter into indemnification agreements with each of our directors and executive officers. These agreements will require us to, among other things, indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, penalties, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person’s services as a director or executive officer. We have obtained an insurance policy that insures our directors and officers against certain liabilities, including liabilities arising under applicable securities laws. For additional information see “Management—Limitation of liability and indemnification matters.”

## **Investors’ rights agreement**

We entered into an amended and restated investors’ rights agreement with the purchasers of our outstanding preferred stock, including entities with which certain of our directors are affiliated. Following the consummation of this offering, the holders of approximately 193 million shares of our common stock, including the shares of common stock issuable upon the conversion of our preferred stock, will be entitled to rights with respect to the registration of their shares under the Securities Act. For a more detailed description of these registration rights, see “Description of capital stock—Registration rights.” The amended and restated investors’ rights agreement also provides for a right of first refusal in favor of certain holders of preferred stock with regard to certain issuances of our capital stock. The rights of first refusal will not apply to, and will terminate upon the consummation of, this offering.

## **Voting agreement**

We entered into an amended and restated voting agreement with certain holders of our common stock and preferred stock. Upon the consummation of this offering, the amended and restated voting agreement will terminate. For a description of the amended and restated voting agreement, see “Management—Board composition—Voting arrangements.”

## **Right of first refusal and co-sale agreement**

We entered into an amended and restated right of first refusal and co-sale agreement with certain holders of our common stock and preferred stock. This agreement provides for rights of first refusal and co-sale relating to the shares of our common stock held by the parties to the agreement. Upon the consummation of this offering, the amended and restated right of first refusal and co-sale agreement will terminate.

## **Acquisition of Warp Drive**

In October 2018, we acquired all outstanding shares of Warp Drive. In connection with the acquisition, we issued 33,079,554 shares of our Series B preferred stock (the "Acquisition Shares") and paid \$0.9 million in other consideration, for total consideration valued at \$69.0 million. Of the Acquisition Shares, 8,315,308 shares of Series B Preferred Stock were issued to entities affiliated with Third Rock Ventures, which beneficially owned more than 5% of our capital stock immediately prior to and following the acquisition. In addition, Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time of the acquisition of Warp Drive, was then an affiliate of Third Rock Ventures. Of the Acquisition Shares, 16,364,939 shares of Series B Preferred Stock were issued to Sanofi Research Invest, LLC, which became a beneficial owner of more than 5% of our capital stock following the acquisition.

In connection with our acquisition of Warp Drive, we assumed a convertible promissory note, or the "Convertible Note" issued by Warp Drive to an entity affiliated with Third Rock Ventures, dated October 8, 2018. The Convertible Note was issued in a principal amount of \$2,000,000, with simple interest at an annual rate of 8% computed on the basis of a 360-day year. On October 30, 2018, at our election, we converted the Convertible Note into 975,620 shares of our Series B Preferred Stock which were issued to an entity affiliated with Third Rock Ventures pursuant to the terms of the Convertible Note. At the time of such conversion of the Convertible Note, entities affiliated with Third Rock Ventures were beneficial owners of (in the aggregate) more than 5% of our capital stock. Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time of the conversion of the Convertible Note, was then an affiliate of Third Rock Ventures.

## **Casma sublease and sublease guarantee**

Following our acquisition of Warp Drive, in February 2019, we entered into a sublease agreement with Casma Therapeutics, Inc., or Casma, for Casma to sublease from us approximately 22,000 square feet of office and laboratory space in Cambridge, Massachusetts. The term of this sublease expires in February 2023. The sublease provides for initial annual base rent for the complete subleased premises of approximately \$1.7 million, with annual increases of approximately 3.0% in annual base rent. Third Rock Ventures, LLC is affiliated with Third Rock Ventures and provided a Guarantee of Sublease to guarantee to us the payment of the sublease obligations under the sublease. At the time such Guarantee of Sublease was provided and at the time we entered into the sublease agreement, entities affiliated with Third Rock Ventures were beneficial owners of (in the aggregate) more than 5% of our capital stock and were major stockholders of Casma. Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time such Guarantee of Sublease was provided, was then an affiliate of Third Rock Ventures.

## **Pliant sublease**

In July 2015, we entered into a sublease with Pliant Therapeutics, Inc., or Pliant, for Pliant to sublease from us approximately 10,200 square feet of office and laboratory space in Redwood City, California. The sublease provided for a base rent of \$30,606 per month and a term expiring on December 31, 2016. In March 2016, we amended the sublease to, among other things, extend the term to end on March 31, 2017 and increase the monthly base rent starting in January 2017 to \$31,626. In September 2016, we amended and restated the sublease to, among other things, extend the sublease term to end on March 31, 2018, increase the total sublease premises to approximately 18,000 square feet and increase the monthly base rent to \$45,909 with a further increase to \$80,851 upon the substantial completion of certain improvements to the subleased premises. In addition, Pliant exercised an option to extend the sublease term through June 2018. In connection with the amendment and restatement, we entered into an agreement with Pliant relating to the use of shared

spaces and services. At the time of the sublease agreement with Pliant and each amendment, entities affiliated with Third Rock Ventures were beneficial owners of (in the aggregate) more than 5% of our capital stock and Third Rock Ventures was a major stockholder of Pliant. In addition, Alexis Borisy, who is currently a member of our board of directors and was a member of our board of directors at the time of such sublease agreement and each amendment, was then an affiliate of Third Rock Ventures.

### **Transactions with Sanofi**

In connection with our obligations and responsibilities under the Sanofi Agreement, in April 2019, we entered into a Quality Agreement with Sanofi-Aventis Recherche & Developpement, an affiliate of Sanofi, and a Clinical Supply Agreement with Genzyme Corporation, an affiliate of Sanofi. At the time both such agreements were entered into, entities affiliated with Sanofi were beneficial owners of (in the aggregate) more than 5% of our capital stock. For information regarding the Sanofi Agreement, see “Business—Collaboration agreement with Sanofi.”

### **Policies and procedures for related party transactions**

Prior to the consummation of this offering, our board of directors will adopt a written related person transaction policy, to be effective upon the consummation of this offering, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including without limitation purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including but not limited to whether the transaction is on terms comparable to those that could be obtained in an arm’s length transaction with an unrelated third party and the extent of the related person’s interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

## Principal stockholders

The following table sets forth information relating to the beneficial ownership of our common stock as of July 31, 2019, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our current directors;
- each of our named executive officers; and
- all current directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of July 31, 2019 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 208,079,518 shares of our common stock outstanding as of July 31, 2019, which reflects the assumed conversion of all of our outstanding shares of preferred stock into an aggregate of 192,699,975 shares of common stock. Shares of our common stock that a person has the right to acquire within 60 days of July 31, 2019 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. The percentage ownership information under the column titled "Beneficial ownership after this offering" is based on the sale of shares of common stock in this offering, assuming no exercise of the underwriters' option to purchase additional shares. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Revolution Medicines, Inc., 700 Saginaw Drive, Redwood City, California 94063.

Name of beneficial owner	Beneficial ownership prior to this offering				Beneficial ownership after this offering	
	Number of outstanding shares beneficially owned	Number of shares exercisable within 60 days	Number of shares beneficially owned	Percentage of beneficial ownership	Number of shares beneficially owned	Percentage of beneficial ownership
<b>5% and Greater Stockholders:</b>						
Entities affiliated with Third Rock Ventures(1)	60,112,163	—	60,112,163	28.9%		%
Entities affiliated with The Column Group(2)	38,818,769	—	38,818,769	18.7%		%
Sanofi Research Invest, LLC(3)	16,364,939	—	16,364,939	7.9%		%

Name of beneficial owner	Beneficial ownership prior to this offering				Beneficial ownership after this offering	
	Number of outstanding shares beneficially owned	Number of shares exercisable within 60 days	Number of shares beneficially owned	Percentage of beneficial ownership	Number of shares beneficially owned	Percentage of beneficial ownership
<b>Named Executive Officers and Directors:</b>						
Mark A. Goldsmith, M.D., Ph.D.(4)	3,100,000	4,774,098	7,874,098	3.7%		%
Steve Kelsey, M.D., FRCP, FRCPath(5)	1,304,160	600,000	1,904,160	*		%
Margaret Horn, J.D.(6)	600,000	1,216,280	1,816,280	*		%
Elizabeth McKee Anderson(7)	180,000	60,000	240,000	*		%
Alexis Borisy	—	—	—	—		%
Neil Exter(8)	60,112,163	—	—	28.9%		%
Larry Lasky, Ph.D.	—	—	—	—		%
Vincent A. Miller, M.D.	150,000	—	150,000	*		%
Thilo Schroeder, Ph.D.	—	—	—	—		%
Barbara Weber, M.D.(9)	—	150,000	150,000	*		%
All current directors and executive officers as a group (10 persons)	65,446,323	6,800,378	72,246,701	33.6%		%

\* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

- (1) Consists of (i) 2,000,000 shares of common stock directly held by Third Rock Ventures III, L.P. ("TRV III"), (ii) 40,002,465 shares of common stock issuable upon the conversion of the Series A preferred stock directly held by TRV III, (iii) 5,000,000 shares of common stock issuable upon the conversion of the Series A preferred stock directly held by Third Rock Ventures IV, L.P. ("TRV IV"), (iv) 9,290,928 shares of common stock issuable upon the conversion of the Series B preferred stock directly held by Third Rock Ventures II, L.P. ("TRV II"), (v) 1,666,666 shares of common stock issuable upon the conversion of the Series B preferred stock directly held by TRV III, (vi) 1,666,667 shares of common stock issuable upon the conversion of the Series B preferred stock directly held by TRV IV, (vii) 242,719 shares of common stock issuable upon the conversion of the Series C preferred stock directly held by TRV III and (viii) 242,718 shares of common stock issuable upon the conversion of the Series C preferred stock directly held by TRV IV. Each of Third Rock Ventures II GP, LP ("TRV II GP"), the general partner of TRV II, and Third Rock Ventures GP II, LLC ("TRV II LLC"), the general partner of TRV II GP, and Mark Levin, Kevin Starr and Robert Tepper, the managers of TRV II LLC, may be deemed to have voting and investment power over the shares held of record by TRV II; each of Third Rock Ventures III GP, LP ("TRV III GP"), the general partner of TRV III, and Third Rock Ventures GP III, LLC ("TRV III LLC"), the general partner of TRV III GP, and Mark Levin, Kevin Starr and Robert Tepper, the managers of TRV III LLC, may be deemed to have voting and investment power over the shares held of record by TRV III; the general partner of TRV IV is Third Rock Ventures GP IV, L.P. ("TRV IV GP") and the general partner of TRV IV GP is TRV GP IV, LLC ("TRV IV LLC"); Abbie Celniker, Ph.D., Robert Tepper, M.D., Craig Muir and Cary Pfeffer, M.D. are the managing members of TRV IV LLC and collectively make voting and investment decisions with respect to the shares held by TRV LP. The address for each of these persons and entities is 29 Newbury Street, Suite 401, Boston, MA 02116.
- (2) Consists of (i) 11,740,876 shares of common stock issuable upon the conversion of the Series A preferred stock directly held by The Column Group III, LP ("TCG III"), (ii) 13,259,124 shares of common stock issuable upon the conversion of the Series A preferred stock directly held by The Column Group III-A, LP ("TCG III-A"), (iii) 3,130,900 shares of common stock issuable upon the conversion of the Series B preferred stock directly held by TCG III, (iv) 3,535,766 shares of common stock issuable upon the conversion of the Series B preferred stock directly held by TCG III-A, (v) 3,333,333 shares of common stock issuable upon the conversion of the Series B preferred stock directly held by Ponoii Capital, LP ("Ponoii"), (vi) 3,333,333 shares of common stock issuable upon the conversion of Series B preferred stock directly held by Ponoii Capital II, LP ("Ponoii II"), (vii) 227,978 shares of common stock issuable upon the conversion of the Series C preferred stock directly held by TCG III and (viii) 257,459 shares of common stock issuable upon the conversion of the Series C preferred stock directly held by TCG III-A. David Goeddel, Ph.D., Peter Svennilsson and Tim Kutzkey, Ph.D., are the managing partners of (i) The Column Group III GP, LP, which is the general partner of TCG III and TCG III-A, (ii) Ponoii Management, LLC, which is the general partner of Ponoii, and (iii) Ponoii II Management, LLC, which is the general partner of Ponoii II. Dr. Goeddel, Mr. Svennilsson and Dr. Kutzkey share voting and investment control over shares held by TCG III, TCG III-A, Ponoii and Ponoii II. Dr. Goeddel, Mr. Svennilsson and Dr. Kutzkey disclaim beneficial ownership of all shares above except to the extent of their pecuniary interest therein. The address of the above persons and entities is 1700 Owens Street, Suite 500, San Francisco, California 94158.
- (3) Consists of 16,364,939 shares of common stock issuable upon the conversion of the Series B preferred stock. Sanofi Research Invest, LLC is a wholly owned indirect subsidiary of Sanofi. Sanofi has the ability to exercise voting and investment power over the shares held by Sanofi Research Invest, LLC. The address for Sanofi Research Invest, LLC is 3711 Kennett Pike, Suite 200, Greenville, DE 19807.

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- (4) Consists of (i) 700,000 shares of common stock directly held by the Goldsmith Children 2011 Irrevocable Education Trust, (ii) 2,400,000 shares of common stock directly held by Mark A. Goldsmith and Anne E. Midler 2002 Revocable Living Trust and (iii) 4,774,098 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of July 31, 2019.
- (5) Consists of (i) 1,304,160 shares of common stock and (ii) 600,000 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of July 31, 2019.
- (6) Consists of (i) 600,000 shares of common stock directly held by Margaret A. Horn Revocable Living Trust and (ii) 1,216,280 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of July 31, 2019.
- (7) Consists of (i) 180,000 shares of common stock directly held by David W. Anderson 1996 Irrevocable Trust and (ii) 60,000 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of July 31, 2019.
- (8) Consists of the shares described in Footnote 1 above. Mr. Exter disclaims beneficial ownership of all such shares except to the extent of his pecuniary interests therein.
- (9) Consists of 150,000 shares of common stock that may be acquired pursuant to the exercise of stock options within 60 days of July 31, 2019.

## Description of capital stock

*The following summary describes our capital stock and certain provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, the amended and restated investors' rights agreement to which we and certain of our stockholders are parties and of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investors' rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is part.*

### General

Immediately prior to the consummation of this offering, we will file our amended and restated certificate of incorporation that authorizes \_\_\_\_\_ shares of common stock, \$0.0001 par value per share, and \_\_\_\_\_ shares of preferred stock, \$0.0001 par value per share. As of September 30, 2019, there were outstanding:

- \_\_\_\_\_ shares of our common stock, on an as-converted basis, held by approximately \_\_\_\_\_ stockholders of record; and
- \_\_\_\_\_ shares of our common stock issuable upon exercise of outstanding stock options.

In connection with this offering, we expect to consummate a \_\_\_\_\_ -for- \_\_\_\_\_ reverse stock split of our common stock and preferred stock.

### Common stock

#### Voting rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors. In addition, the affirmative vote of holders of 66-2/3% of the voting power of all of the then outstanding voting stock will be required to take certain actions, including amending certain provisions of our amended and restated certificate of incorporation, such as the provisions relating to amending our amended and restated bylaws, the classified board and director liability.

#### Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

#### Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

### ***Rights and preferences***

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

### ***Fully paid and nonassessable***

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

### **Preferred stock**

As of September 30, 2019, there were \_\_\_\_\_ shares of preferred stock outstanding, held of record by \_\_\_\_\_ stockholders. Immediately upon the consummation of this offering, all \_\_\_\_\_ outstanding shares of our preferred stock as of September 30, 2019 will be converted into an equivalent number of shares of our common stock. See Note 8 to our consolidated financial statements included elsewhere in this prospectus for a description of our currently outstanding preferred stock. Immediately prior to the consummation of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. From and after the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to \_\_\_\_\_ shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

### **Options**

As of September 30, 2019, we had outstanding options to purchase \_\_\_\_\_ shares of our common stock, with a per share weighted-average exercise price of \$ \_\_\_\_\_, under our 2014 Equity Incentive Plan.

### **Registration rights**

Under our amended and restated investors' rights agreement, based on the number of shares outstanding as of September 30, 2019, following the consummation of this offering, the holders of approximately 193 million shares of common stock, or their transferees, have the right to require us to register their shares under the Securities Act so that those shares may be publicly resold, and the holders of approximately 193 million shares of common stock, or their transferees, have the right to include their shares in any registration statement we file, in each case as described below.

### ***Form S-1 demand registration rights***

After the consummation of this offering, the holders of approximately 193 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to certain Form S-1 demand registration rights.

Beginning 180 days following the effectiveness of the registration statement of which this prospectus is a part, the holders of at least a majority of these shares can request that we register all or a portion of their shares, so long as such holders request that we register at least 40% of the shares entitled to these demand registration rights. These stockholders may make up to two requests for registration on Form S-1.

***Form S-3 demand registration rights***

After the consummation of this offering, the holders of approximately 193 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to certain Form S-3 demand registration rights. If we are eligible to use a Form S-3 registration statement, the holders of at least 20% of these shares can request that we register all or a portion of their shares on a Form S-3 registration statement if the anticipated aggregate offering price is at least \$5.0 million, net of certain expenses related to the sale of the shares. These stockholders may make unlimited requests for registration on Form S-3, provided that we are not obligated to effect, or take any action to effect, a registration on Form S-3 if we have effected two registrations on Form S-3 pursuant to requests by these stockholders within the 12 month period immediately preceding such request.

***Piggyback registration rights***

After the consummation of this offering, in the event that we determine to register any of our securities under the Securities Act (subject to certain exceptions), either for our own account or for the account of other security holders, the holders of approximately 193 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to certain “piggyback” registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to certain registrations, including related to the sale of securities to employees pursuant to employee benefit plans, the offer and sale of debt securities, or an SEC Rule 145 transaction, the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include.

***Expenses of registration***

We will pay the registration expenses, excluding certain expenses related to the sale of shares, of the holders of the shares registered pursuant to the Form S-1 demand, Form S-3 demand and piggyback registration rights described above, including the reasonable expenses of one counsel for the selling holders not to exceed \$25,000.

***Expiration of registration rights***

The Form S-1 demand, Form S-3 demand and piggyback registration rights described above will terminate, with respect to any particular stockholder, upon the earlier of (i) five years after the consummation of this offering, (ii) following this offering, the date that Rule 144 or another similar exemption under the Securities Act is available to such stockholder for the sale of all of such stockholder's shares without limitation during a three-month period, or (iii) upon the consummation of a merger, consolidation or the sale of substantially all of our assets.

## **Anti-takeover effects of provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and Delaware law**

Some provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will become effective immediately prior to the consummation of this offering contain provisions that could make the following transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

### ***Delaware anti-takeover statute***

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed “interested stockholders” from engaging in a “business combination” with a publicly-held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, beneficially owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, such as discouraging takeover attempts that might result in a premium over the market price of our common stock.

### ***Undesignated preferred stock***

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

### ***Special stockholder meetings***

Our amended and restated bylaws provide that a special meeting of stockholders may be called by our board of directors, or by our President, Chief Executive Officer or the Chair of our board of directors.

### ***Requirements for advance notification of stockholder nominations and proposals***

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

***Elimination of stockholder action by written consent***

Our amended and restated certificate of incorporation and our amended and restated bylaws eliminate the right of stockholders to act by written consent without a meeting.

***Classified board; election and removal of directors; filling vacancies***

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation provides for the removal of any of our directors only for cause and requires a stockholder vote by the holders of at least a 66-2/3% of the voting power of the then outstanding voting stock. For more information on the classified board, see "Management—Board composition." Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of the board, may only be filled by a resolution of the board of directors unless the board of directors determines that such vacancies shall be filled by the stockholders. This system of electing and removing directors and filling vacancies may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

***Choice of forum***

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any state law derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws or (iv) any action asserting a claim against us governed by the internal affairs doctrine. As a result, any action brought by any of our stockholders with regard to any of these matters will need to be filed in the Court of Chancery of the State of Delaware and cannot be filed in any other jurisdiction; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Nothing in our amended and restated certificate of incorporation or amended and restated bylaws will preclude stockholders that assert claims under the Securities Act or the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

***Amendment of certificate of incorporation provisions***

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue undesignated preferred stock, would require approval by a stockholder vote by the holders of at least a 66-2/3% of the voting power of the then outstanding voting stock.

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The provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

**Limitations of liability and indemnification matters**

For a discussion of liability and indemnification, see “Management—Limitation of liability and indemnification matters.”

**Nasdaq global market listing**

We have applied to have our common stock approved for listing on the Nasdaq Global Market under the symbol “RVMD.”

**Transfer agent and registrar**

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC. The transfer agent and registrar’s address is 6201 15th Avenue, Brooklyn, New York 11219.

## Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock, and we cannot assure investors that an active trading market for our common stock will develop or be sustained after this offering. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of this offering due to contractual and legal restrictions on resale described below.

Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

### Sale of restricted shares

Based on the number of shares of our common stock outstanding as of September 30, 2019 and assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover of this prospectus), upon the consummation of this offering and assuming (1) the conversion of all shares of our outstanding preferred stock as of September 30, 2019, (2) no exercise of the underwriters' option to purchase additional shares of common stock and (3) no exercise of any of our other outstanding options, we will have outstanding an aggregate of \_\_\_\_\_ shares of common stock.

All of the shares of common stock to be sold in this offering, and any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, based on the number of shares of our common stock outstanding as of September 30, 2019 and assumptions (1)-(3) described above, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

<b>Approximate number of shares</b>	<b>First date available for sale into public market</b>
shares	180 days after the date of this prospectus upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume limitations under Rule 144

## Lock-up agreements

In connection with this offering, we, our directors, our executive officers and substantially all of our other stockholders and option holders have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of J.P. Morgan Securities LLC. See the section titled "Underwriting" for additional information.

Subject to certain limitations, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Following the lock-up periods set forth in the agreements described above, and assuming that J.P. Morgan Securities LLC of the underwriters does not release any parties from these agreements, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

## Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act, for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately \_\_\_\_\_ shares of common stock immediately after this offering (calculated as of September 30, 2019 on the basis of the assumptions (1)-(3) described above); or
- the average weekly trading volume of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

## **Rule 701**

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our “affiliates,” as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our “affiliates” may resell those shares without compliance with Rule 144’s minimum holding period requirements (subject to the terms of the lock-up agreement referred to above).

## **Registration rights**

After the consummation of this offering, the holders of approximately 193 million shares of our common stock, or their transferees, will, subject to the lock-up agreements referred to above, be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. For a description of these registration rights, see “Description of capital stock—Registration rights.” If the offer and sale of these shares are registered, they will be freely tradable without restriction under the Securities Act.

## **Stock plans**

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock reserved for issuance under our 2014 Equity Incentive Plan, our 2014 Incentive Award Plan and our 2014 Employee Stock Purchase Plan. Such registration statement is expected to be filed and become effective as soon as practicable after the consummation of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

## Material U.S. federal income tax consequences to non-U.S. holders

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (“the Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (“the IRS”), in each case in effect as of the date hereof.

These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- tax-qualified retirement plans; and
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

### **Definition of non-U.S. holder**

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of our common stock that is neither a “U.S. person” nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

### **Distributions**

As described in the section of this prospectus titled “Dividend policy,” we have never declared or paid cash dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder’s adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under “—Sale or other taxable disposition.”

Subject to the discussion below regarding effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

### **Sale or other taxable disposition**

Subject to the discussion below regarding backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI"), by reason of our status as a U.S. real property holding corporation ("USRPHC"), for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

### **Information reporting and backup withholding**

Payments of dividends on our common stock will not be subject to backup withholding, provided the Non-U.S. Holder certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within

the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

### **Additional withholding tax on payments made to foreign accounts**

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act ("FATCA")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While, beginning on January 1, 2019, withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock, recently proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

## Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Cowen and Company, LLC, SVB Leerink LLC and Guggenheim Securities, LLC are acting as book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the initial public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Cowen and Company, LLC	
SVB Leerink LLC	
Guggenheim Securities, LLC	
<b>Total</b>	

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ \_\_\_\_\_ per share. After the initial offering of the shares to the public, if all of the common stock is not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to purchase up to \_\_\_\_\_ additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriters do not expect to sell more than 5% of the shares of common stock in the aggregate to accounts over which they exercise discretionary authority.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is \$ \_\_\_\_\_ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	\$	\$
Total	\$	\$

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We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$ . We have agreed to reimburse the underwriters for expenses of up to \$ relating to the clearance of this offering with the Financial Industry Regulatory Authority.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or file with the Securities and Exchange Commission, or SEC, a registration statement under the Securities Act of 1933, relating to, any shares of our common stock or any securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and any shares of our common stock issued upon the exercise of options granted under our existing stock-based compensation plans.

Our directors, executive officers and the holders of substantially all of our common stock, stock options and other securities convertible into, exercisable or exchangeable for our common stock have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC, (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

The restrictions described in the immediately preceding paragraph are subject to specified exceptions, including among other items:

- subject to certain limitations, transfers as a bona fide gift or gifts;
- subject to certain limitations, transfers by will, other testamentary document or intestacy;

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- subject to certain limitations, transfers to any trust for the direct or indirect benefit of the transferor or the immediate family of the transferor, or if the transferor is a trust, to a trustor or beneficiary of the trust, or to the estate of a beneficiary of such trust;
- subject to certain limitations, transfers to a partnership, limited liability company or other entity of which the transferor and/or the immediate family of the transferor are the legal and beneficial owner of all of the outstanding equity securities or similar interests;
- subject to certain limitations, if the transferor is a corporation, partnership, limited liability company, trust or other business entity, transfers as part of a distribution to the members, partners, stockholders or other equityholders of the transferor, or to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the transferor, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the transferor or its affiliates;
- subject to certain limitations, transfers by operation of law pursuant to a qualified domestic order, divorce settlement, divorce decree, separation agreement or other court order;
- transfers to us from an employee or other service provider upon death, disability or termination of employment or service, in each case, of such employee or service provider;
- subject to certain limitations, sales or transfers of shares acquired in this offering, or on the open market after this offering;
- subject to certain limitations, transfers to us to cover tax withholdings upon a vesting, exercise or settlement event of any equity award granted under a stock incentive plan, stock purchase plan or other equity award plan;
- subject to certain limitations, transfers to us by way of cashless exercise of (i) an option to purchase common stock granted under a stock incentive plan, stock purchase plan or other equity award plan or (ii) a warrant, in either case described in this prospectus;
- transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of our common stock involving a change of control that has been approved by our board of directors; and
- subject to certain limitations, the establishment of a trading plan pursuant to Rule 10b5-1 of the Exchange Act.

J.P. Morgan Securities LLC, in its sole discretion, may release the common stock subject to the lock-up agreements described above in whole or in part at any time with or without notice.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We have applied to have our common stock approved for listing on the Nasdaq Global Market under the symbol "RVMD."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and

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purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the initial public offering price.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and

hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

## **Selling restrictions**

### ***General***

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

### ***Notice to prospective investors in the European Economic Area***

In relation to each Member State of the European Economic Area (each a "Member State"), no shares have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- i. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- ii. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- iii. in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of shares shall require the issuer or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

***Notice to prospective investors in the United Kingdom***

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order, all such persons together being referred to as “relevant persons” or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

***Notice to prospective investors in Canada***

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

***Notice to prospective investors in Switzerland***

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority, or FINMA, and the offer of shares has not been and will not be authorized under the

Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

***Notice to prospective investors in the Dubai International Financial Centre, or DIFC***

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

***Notice to prospective investors in the United Arab Emirates***

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

***Notice to prospective investors in Australia***

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission, or ASIC, as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

***Notice to prospective investors in Japan***

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

***Notice to prospective investors in Hong Kong***

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the SFO, of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, or the CO, or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

***Notice to prospective investors in Singapore***

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time, or the SFA) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Singapore SFA Product Classification** — In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### ***Notice to prospective investors in Bermuda***

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

### ***Notice to prospective investors in Saudi Arabia***

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority, or CMA, pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended, or the CMA Regulations. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

***Notice to prospective investors in the British Virgin Islands***

The shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of us. The shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), or BVI Companies, but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

***Notice to prospective investors in China***

This prospectus will not be circulated or distributed in the PRC and the shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

***Notice to prospective investors in Korea***

The shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea, or the FSCMA, and the decrees and regulations thereunder and the shares have been and will be offered in Korea as a private placement under the FSCMA. None of the shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea, or the FETL, and the decrees and regulations thereunder. The shares have not been listed on any securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase of the shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

***Notice to prospective investors in Taiwan***

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares in Taiwan.

***Notice to prospective investors in South Africa***

Due to restrictions under the securities laws of South Africa, no “*offer to the public*” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted, or the South African Companies Act) is being made in connection with the issue of the shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a “*registered prospectus*” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The shares are not offered, and the offer shall not be transferred, sold, renounced or

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delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

- Section 96 (1)(a) the offer, transfer, sale, renunciation or delivery is to:
- (i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
  - (ii) the South African Public Investment Corporation;
  - (iii) persons or entities regulated by the Reserve Bank of South Africa;
  - (iv) authorized financial service providers under South African law;
  - (v) financial institutions recognized as such under South African law;
  - (vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
  - (vii) any combination of the person in (i) to (vi); or
- Section 96 (1)(b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as “*advice*” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

### ***Notice to prospective investors in Israel***

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the shares of common stock is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

## Legal matters

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Latham & Watkins LLP, Menlo Park, California. Davis Polk & Wardwell LLP, Menlo Park, California, is acting as counsel for the underwriters in connection with this offering. Latham & Watkins LLP and certain attorneys and investment funds affiliated with the firm own shares of our preferred stock which will be converted into an aggregate of 48,544 shares of common stock immediately upon the completion of this offering.

## Experts

The financial statements of Revolution Medicines, Inc. as of December 31, 2017 and December 31, 2018 and for each of the two years in the period ended December 31, 2018 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Warp Drive Bio, Inc. as of December 31, 2017 and for the year then ended included in this prospectus have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as described in Note 1 to the financial statements) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Warp Drive Bio, Inc. at December 31, 2016 and for the year then ended appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about Warp Drive Bio, Inc.'s ability to continue as a going concern, as described in Note 1 to the financial statements), appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

## Where you can find more information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information with respect to Revolution Medicines, Inc. and the common stock offered hereby, reference is made to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address is [www.sec.gov](http://www.sec.gov).

Upon consummation of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at [www.revmed.com](http://www.revmed.com). Upon consummation of this offering, you may access our annual reports on

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Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained on our website, and you should not consider the contents of our website in making an investment decision with respect to our common stock.

# Revolution Medicines, Inc.

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# Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Revolution Medicines, Inc.

## Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Revolution Medicines, Inc. and its subsidiary (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations and comprehensive loss, of redeemable convertible preferred stock and stockholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP  
San Jose, California  
September 19, 2019

We have served as the Company's auditor since 2017.

# Revolution Medicines, Inc.

## Consolidated balance sheets

(in thousands, except share and per share data)

	December 31,		Pro forma
	2017	2018	December 31, 2018 (unaudited)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 9,079	\$ 69,586	
Receivable from related party	—	7,303	
Prepaid expenses and other current assets	362	1,945	
Assets held for sale	—	6,597	
<b>Total current assets</b>	<b>9,441</b>	<b>85,431</b>	
Property and equipment, net	5,253	6,872	
Intangible assets, net	—	63,082	
Goodwill	—	14,608	
Restricted cash	—	214	
Other noncurrent assets	383	379	
<b>Total assets</b>	<b>\$ 15,077</b>	<b>\$ 170,586</b>	
<b>Liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity</b>			
Current liabilities:			
Accounts payable	\$ 3,353	\$ 5,236	
Accrued expenses and other current liabilities	4,245	8,486	
Deferred revenue, related party, current	—	16,830	
<b>Total current liabilities</b>	<b>7,598</b>	<b>30,552</b>	
Deferred rent, noncurrent	2,806	2,254	
Deferred revenue, related party, noncurrent	—	28,413	
Deferred tax liability	—	12,192	
Other noncurrent liabilities	142	516	
<b>Total liabilities</b>	<b>10,546</b>	<b>73,927</b>	
Commitments and contingencies (Note 5)			
Redeemable convertible preferred stock, \$0.0001 par value; 70,221,732 and 146,221,732 shares authorized at December 31, 2017 and 2018, respectively; 70,221,732 and 144,016,937 shares issued and outstanding at December 31, 2017 and 2018, respectively; aggregate liquidation preference of \$194,133 at December 31, 2018; no shares issued and outstanding, pro forma (unaudited)	72,248	205,081	—
Stockholders' (deficit) equity:			
Common stock, \$0.0001 par value; 94,695,000 and 172,000,000 shares authorized at December 31, 2017 and 2018, respectively; 13,011,059 and 15,615,007 shares issued and outstanding at December 31, 2017 and 2018, respectively; 159,631,944 shares issued and outstanding, pro forma (unaudited)	1	2	16
Additional paid-in capital	215	1,298	206,365
Accumulated deficit	(67,933)	(109,722)	(109,722)
<b>Total stockholders' (deficit) equity</b>	<b>(67,717)</b>	<b>(108,422)</b>	<b>\$ 96,659</b>
<b>Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity</b>	<b>\$ 15,077</b>	<b>\$ 170,586</b>	

The accompanying notes are an integral part of these consolidated financial statements.

## Revolution Medicines, Inc.

### Consolidated statements of operations and comprehensive loss

(in thousands, except share and per share data)

	Year ended December 31,	
	2017	2018
Revenue:		
Collaboration revenue, related party	\$ —	\$ 19,420
Collaboration revenue, other	—	745
Total revenue	—	20,165
Operating expenses:		
Research and development	26,586	51,084
General and administrative	4,543	9,410
Total operating expenses	31,129	60,494
Loss from operations	(31,129)	(40,329)
Other income (expense), net:		
Interest income	105	777
Interest and other expense	(103)	(116)
Change in fair value of redeemable convertible preferred stock liability	—	(2,121)
Total other income (expense), net	2	(1,460)
Net loss and comprehensive loss	\$ (31,127)	\$ (41,789)
Redeemable convertible preferred stock dividends—undeclared and cumulative	(3,763)	(7,031)
Net loss attributable to common stockholders	\$ (34,890)	\$ (48,820)
Net loss per share attributable to common stockholders—basic and diluted	\$ (4.16)	\$ (4.36)
Weighted-average shares used to compute net loss per share attributable to common stockholders—basic and diluted	8,386,173	11,186,287
Pro forma net loss per share—basic and diluted (unaudited)		\$ (0.35)
Weighted-average shares used in computing pro forma net loss per share—basic and diluted (unaudited)		112,714,741

The accompanying notes are an integral part of these consolidated financial statements.

# Revolution Medicines, Inc.

## Consolidated statements of redeemable convertible preferred stock and stockholders' deficit

(in thousands, except share data)

	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount			
<b>Balance at January 1, 2017</b>	47,527,465	\$ 49,579	11,814,916	\$ 1	\$ —	\$ (36,806)	\$ (36,805)
Issuance of Series A redeemable convertible preferred stock for cash at \$1.00 per share, net of issuance costs of \$25	22,694,267	22,669	—	—	—	—	—
Issuance of common stock pursuant to stock option exercises	—	—	446,277	—	37	—	37
Issuance of common stock pursuant to early exercised stock options	—	—	2,364,680	—	—	—	—
Vesting of early exercised stock options and restricted stock	—	—	—	—	37	—	37
Repurchases of early exercised stock options and restricted stock	—	—	(1,614,814)	—	—	—	—
Stock-based compensation expense	—	—	—	—	141	—	141
Net loss	—	—	—	—	—	(31,127)	(31,127)
<b>Balance at December 31, 2017</b>	<b>70,221,732</b>	<b>\$ 72,248</b>	<b>13,011,059</b>	<b>\$ 1</b>	<b>\$ 215</b>	<b>\$ (67,933)</b>	<b>\$ (67,717)</b>
Issuance of Series B redeemable convertible preferred stock for cash at \$1.50 per share, net of issuance costs of \$204, adjusted for the redeemable convertible preferred stock liability of \$2,121	37,620,613	58,347	—	—	—	—	—
Issuance of Series B redeemable convertible preferred stock on acquisition of Warp Drive	33,079,554	68,144	—	—	—	—	—
Convertible note payable converted into Series B redeemable convertible preferred stock	975,620	2,010	—	—	—	—	—
Issuance of Series B redeemable convertible preferred stock for cash at \$2.06 per share, net of issuance costs of \$34	2,119,418	4,332	—	—	—	—	—
Issuance of common stock pursuant to stock option exercises	—	—	521,704	—	47	—	47
Issuance of common stock pursuant to early exercised stock options	—	—	2,659,858	—	—	—	—
Vesting of early exercised stock options and restricted stock	—	—	—	1	181	—	182
Repurchases of early exercised stock options	—	—	(577,614)	—	—	—	—
Stock-based compensation expense	—	—	—	—	855	—	855
Net loss	—	—	—	—	—	(41,789)	(41,789)
<b>Balance at December 31, 2018</b>	<b>144,016,937</b>	<b>\$205,081</b>	<b>15,615,007</b>	<b>\$ 2</b>	<b>\$ 1,298</b>	<b>\$ (109,722)</b>	<b>\$ (108,422)</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Revolution Medicines, Inc.

## Consolidated statements of cash flows

(in thousands)

	Year ended December 31,	
	2017	2018
<b>Cash flows from operating activities</b>		
Net loss	\$(31,127)	\$(41,789)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Amortization of intangible assets	—	198
Stock-based compensation expense	141	855
Depreciation and amortization	1,188	1,566
Loss on disposal of property and equipment	—	201
Change in fair value of redeemable convertible preferred stock liability	—	2,121
Changes in operating assets and liabilities, net of impact of acquisition:		
Receivable from related party	—	(7,303)
Prepaid expenses and other current assets	553	(909)
Accounts payable	1,968	109
Accrued expenses and other current liabilities	2,029	1,906
Deferred revenue, related party	—	44,499
Deferred rent	100	(552)
Other noncurrent liabilities	—	311
Net cash provided by (used in) operating activities	<u>(25,148)</u>	<u>1,213</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(1,575)	(1,499)
Cash acquired in Warp Drive acquisition, net	—	160
Net cash used in investing activities	<u>(1,575)</u>	<u>(1,339)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	22,588	60,558
Proceeds from issuance of common stock under equity incentive plans	74	420
Repurchases of early exercised stock options and restricted stock	—	(131)
Net cash provided by financing activities	<u>22,662</u>	<u>60,847</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>(4,061)</u>	<u>60,721</u>
Cash, cash equivalents and restricted cash—beginning of year	<u>13,140</u>	<u>9,079</u>
Cash, cash equivalents and restricted cash—end of year	<u>\$ 9,079</u>	<u>\$ 69,800</u>
<b>Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets</b>		
Cash and cash equivalents	\$ 9,079	\$ 69,586
Restricted cash	—	214
Cash, cash equivalents and restricted cash—end of year	<u>\$ 9,079</u>	<u>\$ 69,800</u>
<b>Supplemental disclosure of non-cash investing and financing activities</b>		
Vesting of early exercised options and restricted stock	\$ 37	\$ 182
Purchases of property and equipment within accounts payable and accrued expenses and other current liabilities	317	233
Redeemable convertible preferred stock issued in Warp Drive acquisition	—	68,144
Extinguishment of redeemable convertible preferred stock liability	—	2,314
Unpaid consideration for Warp Drive acquisition included within accrued expenses and other current liabilities	—	102
Conversion of convertible note payable into Series B redeemable convertible preferred stock	—	2,010

The accompanying notes are an integral part of these consolidated financial statements.

# Revolution Medicines, Inc.

## Notes to the consolidated financial statements

### 1. Company and liquidity

#### *Description of the business*

Revolution Medicines, Inc. (the Company) is a clinical-stage precision oncology company focused on developing novel targeted therapies to inhibit targets primarily within the RAS and mTOR signaling pathways. The Company was founded in October 2014 and is headquartered in Redwood City, California.

#### *Liquidity*

The Company has incurred net operating losses in each year since inception. The Company's net losses were \$31.1 million and \$41.8 million during the years ended December 31, 2017 and 2018, respectively. As of December 31, 2018, the Company had an accumulated deficit of \$109.7 million. Management believes that its cash and cash equivalents are sufficient to continue operating activities for at least 12 months following the issuance date of these consolidated financial statements. To date, the Company has been able to fund its operations through the issuance and sale of redeemable convertible preferred stock in addition to proceeds received under the Company's collaboration agreement with Sanofi. Future capital requirements will depend on many factors, including the timing and extent of spending on research and development and payments the Company may receive under the Sanofi collaboration agreement or future collaboration agreements, if any. There can be no assurance that, in the event the Company requires additional financing, such financing will be available at terms acceptable to the Company if at all. Failure to generate sufficient cash flows from operations, raise additional capital, and reduce discretionary spending should additional capital not become available could have a material adverse effect on the Company's ability to achieve its intended business objectives.

### 2. Summary of significant accounting policies

#### *Basis of presentation*

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States (GAAP). The consolidated financial statements for the year ended December 31, 2018 include the accounts of the Company and its wholly owned subsidiary, Warp Drive Bio, Inc. (Warp Drive). The consolidated financial statements for the year ended December 31, 2017 include only the accounts of the Revolution Medicines, Inc. All intercompany balances and transactions have been eliminated in consolidation. The functional and reporting currency of the Company and its subsidiary is the U.S. dollar.

#### *Use of estimates*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including those related to revenue recognition, clinical accruals, valuation of in-process research and development and developed technologies, valuation of the redeemable convertible preferred stock liability, income taxes, useful lives of property and equipment and intangible assets, impairment of goodwill, and stock-based compensation. Actual results could materially differ from those estimates.

***Unaudited pro forma financial information***

The unaudited pro forma information as of December 31, 2018 has been prepared to give effect to the automatic conversion of all of the outstanding redeemable convertible preferred stock of the Company on a one-to-one basis into 144,016,937 shares of common stock, which will occur upon the closing of an initial public offering (IPO) of common stock resulting in at least \$50 million in gross proceeds at a minimum price of \$2.06 per share of common stock, subject to adjustment for stock dividends, stock splits, combinations or other similar recapitalizations (a Qualified IPO). The unaudited pro forma information does not assume any proceeds from an IPO.

The unaudited pro forma basic and diluted net loss per share for the year ended December 31, 2018 has been computed to give effect to (1) an adjustment to the denominator in the pro forma basic and diluted net loss per share calculation for the automatic conversion of the redeemable convertible preferred stock into shares of common stock, which will occur upon the closing of a Qualified IPO, as of the beginning of the period or the date of issuance, if later, (2) an adjustment to the numerator in the pro forma basic and diluted net loss per share calculation to remove the redeemable cumulative but undeclared convertible preferred stock dividends and (3) an adjustment to the numerator in the pro forma basic and diluted net loss per share calculation to remove losses from the remeasurement of the redeemable convertible preferred stock liability.

***Cash and cash equivalents***

The Company considers all highly liquid investments purchased with original maturities of three months or less at the date of purchase to be cash equivalents. As of December 31, 2017 and 2018, cash equivalents consist of amounts invested in money market funds.

***Restricted cash***

As of December 31, 2018, the Company had \$0.2 million of noncurrent restricted cash related to a Company issued letter of credit in connection with a lease. The entire amount is held in a separate bank account to support a letter of credit agreement for the lease. No restricted cash was outstanding as of December 31, 2017.

***Concentration of credit risk and other risks and uncertainties***

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents. The Company's cash is held by one financial institution in the United States, which management believes to be of high credit quality. The Company's money market funds are invested in highly rated funds. Deposits at this financial institution may at times exceed federally insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents.

The Company is subject to credit risk as its receivable and collaboration revenue, related party are entirely related to its collaboration agreement with Sanofi. See Note 6 "Sanofi collaboration agreement."

***Fair value measurement***

The carrying amounts of the Company's certain financial instruments, including cash equivalents, accounts payable and accrued expenses and other current liabilities approximate fair value due to their relatively short maturities and market interest rates, if applicable.

Assets and liabilities recorded at fair value on a recurring basis in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair

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value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

### ***Property and equipment, net***

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, which is generally three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of the assets' estimated useful lives or the remaining term of the lease. Maintenance and repairs are charged to operations as incurred. Upon sale or retirement of assets, the cost and related accumulated depreciation are removed from the consolidated balance sheet and the resulting gain or loss is reflected in the consolidated statement of operations and comprehensive loss.

Useful lives of property and equipment are as follows:

<b>Property and equipment</b>	<b>Estimated useful life</b>
Laboratory equipment	4-5 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term
Computer equipment and software	3 years
Furniture and fixtures	5 years

### ***Impairment of long-lived assets***

Long-lived assets are reviewed for indications of possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability is measured by comparison of the carrying amounts of the asset group to the future undiscounted cash flows attributable to these assets. An impairment loss is recognized to the extent an asset group is not recoverable, and the carrying amount exceeds the projected discounted future cash flows arising from these assets. There were no impairments of long-lived assets for any of the periods presented.

### ***Acquired intangible assets***

Indefinite-lived intangible assets represent the estimated fair value assigned to in-process research and development (IPR&D) acquired in a business combination. The Company reviews indefinite-lived intangible assets for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value of the assets might not be recoverable. If the carrying value of an indefinite-lived intangible

asset exceeds its fair value, then it is written down to its adjusted fair value. As of December 31, 2018, there have been no such impairments. For IPR&D, if a product candidate derived from the indefinite-lived intangible asset is developed and commercialized, the useful life will be determined, and the carrying value will be amortized prospectively over that estimated useful life. Alternatively, if a product candidate is abandoned, the carrying value of the intangible asset will be charged to research and development expenses in the consolidated statements of operations and comprehensive loss.

Finite-lived intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date. Amortization is computed using the straight-line method over the estimated useful lives of the respective finite-lived intangible assets. Intangible assets are reviewed for impairment at least annually or more frequently if indicators of potential impairment exist.

#### ***Goodwill***

Goodwill represents the excess of the purchase price over the estimated fair value of the net tangible and intangible assets acquired in a business combination. The Company reviews goodwill for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. Goodwill is tested for impairment at the reporting unit level by first assessing the qualitative factors to determine whether it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount. Qualitative indicators assessed include consideration of macroeconomic, industry and market conditions, the Company's overall financial performance and personnel or strategy changes. Based on the qualitative assessment, if it is determined that it is more likely than not that its fair value is less than its carrying amount, the fair value of the Company's single reporting unit is compared to its carrying value. Any excess of the goodwill carrying amount over the fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value. As of December 31, 2018, no goodwill impairment has been identified.

#### ***Redeemable convertible preferred stock***

The Company records all shares of redeemable convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs. The redeemable convertible preferred stock is recorded outside of permanent equity because while it is not mandatorily redeemable, in the event of certain events considered not solely within the Company's control, such as a merger, acquisition or sale of all or substantially all of the Company's assets (each, a "deemed liquidation event"), the redeemable convertible preferred stock will become redeemable at the option of the holders of at least a majority of the then outstanding such shares. The Company has not adjusted the carrying values of the redeemable convertible preferred stock to the liquidation preferences of such shares because it is uncertain whether or when a deemed liquidation event would occur that would obligate the Company to pay the liquidation preferences to holders of shares of redeemable convertible preferred stock. Subsequent adjustments to the carrying values to the liquidation preferences will be made only when it becomes probable that such a deemed liquidation event will occur.

#### ***Redeemable convertible preferred stock liability***

The Company's March 2018 issuance and sale of Series B redeemable convertible preferred stock was tranching into two funding dates, a first closing in March 2018, and a second closing to purchase additional shares in June 2018. The Company classified the obligation for the future purchase of additional shares under the second closing as a liability on the Company's consolidated balance sheets as the obligation met the definition of a freestanding financial instrument. This redeemable convertible preferred stock tranche liability was initially

recorded at a fair value of \$0.2 million upon the date of issuance and was subsequently remeasured to fair value at each reporting date using Level 3 fair value inputs. Changes in the fair value of the redeemable convertible preferred stock tranche obligation of \$2.1 million were recognized as a component of other income (expense), net in the consolidated statements of operations and comprehensive loss until the tranche obligation was fulfilled and extinguished upon the second closing in June 2018.

### **Revenue recognition**

Effective January 1, 2018, the Company adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606) using the full retrospective transition method. The Company did not have any effective contracts within the scope of this guidance prior to January 1, 2018. Accordingly, the Company did not elect to use any of the practical expedients permitted related to adoption, and the adoption of ASC 606 had no impact on the Company's financial position, results of operations or liquidity. Under ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

The Company enters into collaboration agreements under which it may obtain upfront license fees, research and development funding, and development, regulatory and commercial milestone payments and royalty payments. The Company's performance obligations under these arrangements may include licenses of intellectual property, sales and distribution rights, research and development services, delivery of manufactured product and/or participation on joint steering committees.

*Licenses of intellectual property:* If the license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenue from upfront license fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring proportional performance for purposes of recognizing revenue from non-refundable, upfront fees. The Company evaluates the measure of proportional performance each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

*Research, development and regulatory milestone payments:* At the inception of each arrangement that includes research, development, or regulatory milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price. The Company uses the most likely amount method for research, development and regulatory milestone payments. Under the most likely amount method, an entity considers the single most likely amount in a range of possible consideration amounts. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price.

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*Sales-based milestones and royalties:* For arrangements that include sales-based milestone or royalty payments based on the level of sales, and in which the license is deemed to be the predominant item to which the sales-based milestone or royalties relate to, the Company recognizes revenue in the period in which the sales-based milestone is achieved and in the period in which the sales associated with the royalty occur. To date, the Company has not recognized any or sales-based milestone or royalty revenue resulting from its collaboration arrangements.

Deferred revenue represents amounts received by the Company for which the related revenues have not been recognized because one or more of the revenue recognition criteria have not been met. The current portion of deferred revenue represents the amount to be recognized within one year from the balance sheet date based on the estimated performance period of the underlying performance obligation. The noncurrent portion of deferred revenue represents amounts to be recognized after one year through the end of the performance period of the performance obligation.

### ***Research and development expenditures***

Research and development expenses consist of costs incurred for the Company's own and for collaborative research and development activities. Research and development costs are expensed as incurred. Research and development costs consist of salaries and benefits, including associated stock-based compensation, and laboratory supplies and facility costs, as well as fees paid to other entities that conduct certain research and development activities on the Company's behalf. The Company estimates preclinical study and clinical trial expenses based on the services performed pursuant to contracts with research institutions and contract research organizations, or CROs, and clinical manufacturing organizations, or CMOs, that conduct and manage preclinical studies and clinical trials on the Company's behalf based on actual time and expenses incurred by them. Further, the Company accrues expenses related to clinical trials based on the level of patient activity according to the related agreement. The Company monitors patient enrollment levels and related activity to the extent reasonably possible and adjusts estimates accordingly.

### ***Stock-based compensation***

The Company measures its stock-based awards granted to employees and directors based on the estimated fair values of the awards and recognizes the compensation over the requisite service period. The Company uses the Black-Scholes option-pricing model to estimate the fair value of its stock-based awards. Stock-based compensation is recognized on a straight-line basis over the vesting period. Stock options granted to non-employees are recorded at their fair value on the measurement date and are subject to periodic adjustments as such options vest and at the end of each reporting period, and the resulting change in fair value, if any, is recognized in the Company's consolidated statements of operations and comprehensive loss during the period the related services are rendered.

### ***Income taxes***

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Management makes an assessment of the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. Due to the Company's historical operating performance and the recorded cumulative net losses in prior fiscal periods, the net deferred tax assets have been fully offset by a valuation allowance.

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The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Changes in recognition or measurement are reflected in the period in which judgment occurs. The Company's policy is to recognize interest and penalties related to the underpayment of income taxes as a component of interest and other expense.

### **Comprehensive loss**

For the years ended December 31, 2017 and 2018, there are no components of other comprehensive loss for the Company. Thus, comprehensive loss is the same as the net loss for the periods presented.

### **Net loss per share attributable to common stockholders**

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, redeemable convertible preferred stock, stock options, common stock subject to repurchase related to unvested restricted stock awards and early exercise of stock options are considered to be potentially dilutive securities. Basic and diluted net loss attributable to common stockholders per share is presented in conformity with the two-class method required for participating securities as the redeemable convertible preferred stock is considered a participating security because it participates in dividends with common stock. The Company also considers the shares issued upon the early exercise of stock options subject to repurchase to be participating securities because holders of such shares have non-forfeitable dividend rights in the event a dividend is paid on common stock. The holders of all series of redeemable convertible preferred stock and the holders of early exercised shares subject to repurchase do not have a contractual obligation to share in the Company's losses. As such, the net loss was attributed entirely to common stockholders. Because the Company has reported a net loss for all periods presented, diluted net loss per share is the same as basic net loss per share for those periods.

### **Segment reporting**

The Company has one operating and reportable segment. The Company's chief operating decision maker, its Chief Executive Officer, manages the Company's operations on a consolidated basis for the purposes of allocating resources and evaluating financial performance. All of the Company's long-lived assets are located in the United States.

### **Retirement plans**

The Company maintains a 401(k) retirement plan for its employees. The Company is responsible for administrative costs of the 401(k) plan. The Company may, at its discretion, make matching or profit-sharing contributions to the 401(k) plan. For the years ended December 31, 2017 and 2018, the Company made no matching contributions under the plan.

### **Recently issued and adopted accounting pronouncements**

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequently, the FASB also issued ASU No. 2015-14, *Revenue from Contracts with*

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*Customers (Topic 606)*, which adjusted the effective date of ASU No. 2014-09; ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which amends the principal-versus-agent implementation guidance and illustrations in ASU No. 2014-09; ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, which clarifies identifying performance obligation and licensing implementation guidance and illustrations in ASU No. 2014-09; and ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, which addresses implementation issues and is intended to reduce the cost and complexity of applying the new revenue standard in ASU No. 2014-09 (collectively, the Revenue ASUs).

The Revenue ASUs provide an accounting standard for a single comprehensive model for use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (the full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the modified retrospective method).

On January 1, 2018, the Company early adopted ASC 606 using the full retrospective method. The Company did not have any arrangements with customers prior to 2018 and, accordingly, there was no impact from the adoption of ASC 606 on its consolidated financial statements as of and for the year ended December 31, 2017.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). ASU 2016-01 enhances the reporting model for financial instruments, which includes amendments to address aspects of recognition, measurement, presentation and disclosure of financial instruments. In February 2018, the FASB issued ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (ASC 2018-03). The adoption of this guidance during the year ended December 31, 2018 did not have an impact on the Company's consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Stock Compensation—Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09). ASU 2016-09 was issued to simplify accounting guidance by identifying, evaluating, and improving areas for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. The areas affected by ASU 2016-09 include accounting for income taxes, classification of excess tax benefits on the statement of cash flows, minimum statutory tax withholding requirements, and classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. In addition, under this guidance, an entity can make an accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. The adoption of this guidance during the year ended December 31, 2017 did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-18, *Restricted Cash, Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18). ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The adoption of this guidance during the year ended December 31, 2018 did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* (ASU 2017-04). ASU 2017-04 simplifies the measurement of goodwill by eliminating step two of the two-step impairment test. Step two measures a goodwill impairment loss by

comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The new guidance requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The early adoption of this guidance during the year ended December 31, 2018 did not have an impact on the Company's consolidated financial statements.

**Recent accounting pronouncements not yet adopted**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (ASU 2016-02)*. ASU 2016-02 provides accounting guidance for both lessee and lessor accounting models. The principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability. For income statement purposes, ASU 2016-02 requires leases to be classified as either operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. ASU 2016-02 is applicable to the Company for the fiscal year beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. In July 2018, the FASB issued supplemental adoption guidance and clarification to ASC 842 within ASU 2018-10, *Codification Improvements to Topic 842, Leases*, ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. ASU 2018-11 provides another transition method in addition to the existing modified retrospective transition method by allowing entities to initially apply the new leasing standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Company plans to adopt these ASUs on January 1, 2020. While the Company continues to review its current accounting policies and practices to identify potential differences that would result from applying the new guidance, the Company currently believes the most significant changes will be related to the recognition of new right-of-use assets and lease liabilities in the Company's consolidated balance sheet for operating leases. The Company expects to elect transitional practical expedients such that the Company will not need to reassess whether contracts are leases and will retain lease classification and initial direct costs for leases existing prior to the adoption of the new lease standard.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13)*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in earlier recognition of credit losses. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses (ASU 2018-19)* which narrowed the scope and changed the effective date for non-public entities for ASU 2016-13. The FASB subsequently issued supplemental guidance within ASU No. 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief (ASU 2019-05)*. ASU 2019-05 provides an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. ASU 2016-13 is applicable to the Company for the fiscal year beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact the adoption of these ASUs will have on its consolidated financial statements and related disclosures.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting (ASU 2018-07)*. ASU 2018-07 simplifies the accounting for

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share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. ASU 2018-07 is applicable to the Company for the fiscal year beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement Disclosure Framework* (ASU 2018-13). ASU 2018-13 is part of a broader disclosure framework project by the FASB to improve the effectiveness of disclosures by more clearly communicating the information to the user. ASU 2018-13 is applicable to the Company for the fiscal year beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this ASU will have on its consolidated financial statement disclosures.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* (ASU 2018-15). ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This ASU is effective for the Company for the fiscal year beginning after December 31, 2020, and interim periods within fiscal years beginning after December 31, 2021. The Company is currently evaluating the impact of this ASU on the Company's consolidated financial statements.

### 3. Fair value measurements

The following table presents information about the Company's financial assets that are measured at fair value and indicates the fair value hierarchy of the valuation:

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Money market funds(1)	\$9,054	\$ 9,054	\$ —	\$ —
Total	\$9,054	\$ 9,054	\$ —	\$ —

	December 31, 2018			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Money market funds(1)	\$69,353	\$69,353	\$ —	\$ —
Contingently returnable consideration asset(2)	310	—	—	310
Total	\$69,663	\$69,353	\$ —	\$ 310

(1) Included in cash and cash equivalents on the consolidated balance sheets.

(2) Included in prepaid expenses and other current assets on the consolidated balance sheets.

Money market funds are measured at fair value on a recurring basis using quoted prices. The contingently returnable consideration asset relates to the fair value of the Warp Drive acquisition holdback, which was determined using an income-based approach. The key assumptions in determining the fair value are the discount rate and the probability assigned to the potential holdback. There were no transfers between Levels 1, 2 or 3 for any of the periods presented. There were no changes in the fair value of the contingently returnable consideration asset between the date of the Warp Drive acquisition and December 31, 2018.

#### 4. Consolidated balance sheet components

##### *Intangible assets, net*

Intangible assets, net consists of the following as of December 31, 2018:

	Gross value	Accumulated amortization (in thousands)	Net book value	Weighted-average remaining useful life (in years)
In-process research and development—RAS programs	\$ 55,800	\$ —	\$ 55,800	n/a
Developed technology—tri-complex platform	7,480	(198)	7,282	6.8
Total	\$ 63,280	\$ (198)	\$ 63,082	

The Company had no intangible assets as of December 31, 2017. See Note 7, “Acquisition of Warp Drive,” for a description of the assets acquired as part of the Warp Drive acquisition. Amortization expense for the year ended December 31, 2018 was \$0.2 million. There was no amortization expense for the year ended December 31, 2017.

The expected future amortization related to intangible assets as of December 31, 2018 is as follows:

Year ending December 31,	Amount (in thousands)
2019	\$ 1,069
2020	1,069
2021	1,069
2022	1,069
2023	1,069
Thereafter	1,937
Total	\$ 7,282

##### *Goodwill*

Goodwill consists of the following:

	Year ended December 31,	
	2017	2018
	(in thousands)	
Beginning balance	\$ —	\$ —
Goodwill acquired (Note 7)	—	14,608
Ending balance	\$ —	\$ 14,608

**Property and equipment, net**

Property and equipment, net consists of the following:

	December 31,	
	2017	2018
	(in thousands)	
Laboratory equipment	\$ 3,587	\$ 6,181
Leasehold improvements	3,217	3,304
Computer equipment and software	617	978
Furniture and fixtures	16	32
	7,437	10,495
Less: accumulated depreciation and amortization	(2,184)	(3,623)
Property and equipment, net	\$ 5,253	\$ 6,872

During the year ended December 31, 2018, the Company acquired \$2.2 million of property and equipment as part of its acquisition of Warp Drive.

Depreciation and amortization expense for property and equipment amounted to \$1.2 million and \$1.6 million for the years ended December 31, 2017 and 2018, respectively.

**Accrued expenses and other current liabilities**

Accrued expenses and other current liabilities consist of the following:

	December 31,	
	2017	2018
	(in thousands)	
Accrued compensation	\$1,468	\$4,861
Accrued research and development	1,525	2,016
Deferred rent, current	496	552
Accrued professional services	173	264
Capital lease, current	—	147
Other	583	646
Total accrued expenses and other current liabilities	\$4,245	\$8,486

**5. Commitments and contingencies****Operating leases**

In January 2015, as amended in September 2016, the Company entered into a facility lease for office and laboratory space located in Redwood City, California (Redwood City Lease) which expires in April 2023. The landlord provided the Company with tenant improvement allowances of \$3.4 million. The Company has assessed the tenant improvement allowance to be a lease incentive and has capitalized the full amount to property and equipment and recognized a corresponding lease financing obligation included in deferred rent on the consolidated balance sheets. The lease financing obligation is amortized as an offset to rent expense over the lease term in the consolidated statements of operations and comprehensive loss.

In conjunction with the lease agreement, the Company paid a security deposit of \$0.3 million which is included in other noncurrent assets on the consolidated balance sheets as of December 31, 2017 and 2018.

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In July 2015, as amended in March 2016 and September 2016, the Company subleased a portion of the Redwood City Lease to Pliant Therapeutics, Inc., a related party, which expired in June 2018. Sublease income of \$0.9 million and \$0.5 million for the years ended December 31, 2017 and 2018, respectively, was recorded as an offset to rent expense in the consolidated statements of operations and comprehensive loss.

As part of the Warp Drive acquisition in October 2018, the Company assumed a facility lease for office and laboratory space located in Cambridge, Massachusetts (Cambridge Lease) which expires in February 2023. In March 2019, the Company fully subleased the Cambridge Lease to Casma Therapeutics, Inc. (Casma), a related party, on financial terms substantially the same as the original lease. The sublease term with Casma is through the remainder of the Cambridge Lease term. The sublease by Casma and related sublease payments by Casma to the Company are fully guaranteed by Third Rock Ventures, LLC, a related party. In conjunction with the Cambridge Lease, the Company issued a letter of credit for \$0.2 million, which is included in restricted cash on the consolidated balance sheet as of December 31, 2018.

Rent expense for the years ended December 31, 2017 and 2018 was \$0.7 million and \$1.5 million, respectively, net of sublease income and tenant improvement allowance credits. The terms of the facility leases provide for rental payments on a graduated scale; however, rent expense is recognized on a straight-line basis over the lease term. At December 31, 2017 and 2018, \$3.3 million and \$2.8 million was included as deferred rent, respectively, which includes the deferred tenant improvement allowance and straight-line rent. The current portion of deferred rent is included in accrued expenses and other current liabilities and the noncurrent portion of deferred rent is included in deferred rent, noncurrent on the consolidated balance sheets.

As of December 31, 2018, future minimum payments under the Company's operating and capital leases are as follows:

	<b>(in thousands)</b>
2019	\$ 3,714
2020	3,820
2021	3,786
2022	3,886
2023	1,003
Total future minimum lease payments	<u>\$ 16,209</u>

Included in the amounts above are \$0.3 million of capital lease obligations.

The amounts reflected in the table above incorporate the Company's lease payments for the Cambridge Lease, but do not reflect any offset for the sublease payments the Company will receive from Casma.

### **Legal matters**

From time to time, the Company may be involved in litigation related to claims that arise in the ordinary course of its business activities. The Company accrues for these matters when it is probable that future expenditures will be made and these expenditures can be reasonably estimated. As of December 31, 2017 and December 31, 2018, the Company does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

### **Indemnification**

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless and agrees to reimburse the indemnified

parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these arrangements is not determinable. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the fair value of these agreements is minimal.

## **6. Sanofi collaboration agreement**

In June 2018, the Company entered into a collaborative research, development and commercialization agreement with Aventis, Inc. (an affiliate of Sanofi), or the Sanofi Agreement, to research and develop SHP2 inhibitors, including RMC-4630 for any indications. Pursuant to the Sanofi Agreement, the Company granted Sanofi a worldwide, exclusive, sublicensable (subject to the Company's consent in certain circumstances) license under certain of the Company's patents and know-how to research, develop, manufacture, use, sell, offer for sale, import and otherwise commercialize SHP2 inhibitors, including RMC-4630, for any and all uses, subject to the Company's exercise of rights and performance obligations under the Sanofi Agreement.

In October 2018, the Company acquired Warp Drive in exchange for the Company's Series B redeemable convertible preferred stock and cash. Sanofi was a stockholder of Warp Drive and received the Company's Series B redeemable convertible preferred stock during the transaction and accordingly became an investor and related party of the Company.

Under the Sanofi Agreement, the Company received a non-refundable, upfront cash payment of \$50 million in July 2018 and could also receive up to \$520 million in development and regulatory milestone payments, including up to \$235 million upon the achievement of specified development milestones and up to \$285 million upon the achievement of certain marketing approval milestones. Sanofi also agreed to reimburse the Company for 80% of all internal and external research costs and expenses incurred under the research plan for 2019 and 2020, and for all other internal and external costs and expenses incurred to perform activities under the research and development plans for the SHP2 program. The Company is responsible for 20% of all internal and external research costs incurred under the research plan for 2019 and 2020. In the United States, the Company will share equally with Sanofi the profits and losses applicable to commercialization of SHP2 inhibitor products, pursuant to a profit/loss share agreement that the parties will negotiate based on key terms agreed in the Sanofi Agreement. On a product-by-product basis, Sanofi will also be required to pay the Company tiered royalties on annual net sales of each product outside the United States ranging from high single digit to mid-teen percentages.

The Company has primary responsibility for early clinical development of RMC-4630 pursuant to an initial development plan and also has primary responsibility for the manufacture of SHP2 inhibitors for Phase 1 and Phase 2 non-registrational clinical trials, while Sanofi is responsible for manufacturing SHP2 inhibitors for all other clinical trials and commercial supply.

Unless terminated earlier, the Sanofi Agreement will continue in effect until the later of the expiration of all of Sanofi's milestone and royalty payment obligations and the expiration of the profit/loss share agreement. Sanofi may terminate the Sanofi Agreement in its entirety or on a country-by-country or product-by-product basis for any reason or for significant safety concerns, upon prior notice to the Company. Sanofi may terminate the Sanofi Agreement in its entirety upon a change of control in the Company, with prior notice. Either party may terminate the Sanofi Agreement if an undisputed material breach by the other party is not cured within a defined period of time, or immediately upon notice for insolvency-related events of the other party. The Company may terminate

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the Sanofi Agreement after a certain number of years if Sanofi develops a competing program without commencing a registrational clinical trial for a SHP2 inhibitor product candidate, and subject to certain other conditions. The Company may also terminate the Sanofi Agreement at any time, if Sanofi ceases certain critical activities for SHP2 inhibitor product candidates for more than a specified period of time, provided that such cessations of critical activity were not a result of certain specified factors, and subject to certain other conditions. Upon any termination of the Sanofi Agreement with respect to any product or country, all licenses to Sanofi with respect to such product or country shall automatically terminate and all rights generally revert back to the Company.

The Company identified the following promises in the agreement (1) the license related to SHP2 inhibitors, (2) the performance of research and development services for Phase 1 clinical studies and Phase 2 clinical trials that are non-registrational clinical trials and (3) the performance of manufacturing services for the non-registrational clinical trials. The Company determined that the license is not distinct from the services within the context of the agreement because the research, development and manufacturing significantly increase the utility of the intellectual property. The intellectual property (IP) related to SHP2 inhibitors, which is proprietary to the Company, is the foundation for the research and development activities. The manufacturing services are a necessary and integral part of the research and development services as they could only be conducted utilizing the outcomes of these services. Given the research and development services under the Sanofi Agreement are expected to involve significant further development of the initial IP, the Company has concluded that the research, development and manufacturing services are not distinct from the license, and thus the license, research and development services and manufacturing services are combined into a single performance obligation.

For revenue recognition purposes, the Company determined that the duration of the contract begins on the effective date of the Sanofi Agreement in July 2018 and ends upon completion of the non-registrational clinical trials. The contract duration is defined as the period in which parties to the contract have present enforceable rights and obligations. The Company analyzed the impact of Sanofi terminating the agreement prior to the completion of these trials and determined that there were significant economic costs to Sanofi for doing so.

The Company determined that the transaction price of the Sanofi Agreement was \$197.2 million as of December 31, 2018. In order to determine the transaction price, the Company evaluated all the payments to be received during the duration of the contract. The Company determined that the \$50.0 million upfront payment and \$147.2 million of estimated variable consideration for expense reimbursements from Sanofi for agreed upon research and development services as of December 31, 2018 constituted consideration to be included in the transaction price, which is to be allocated to the combined performance obligation. Development and regulatory milestones under the Sanofi Agreement were considered but not included in the transaction price, as it is probable that a significant revenue reversal could occur if they were included. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

The license, research, development and manufacturing services are combined as one performance obligation that will be performed over the duration of the contract, which is from the effective date of the Sanofi Agreement through to the completion of studies. The Company concluded that it will utilize a cost-based input method to measure proportional performance and to calculate the corresponding amount of revenue to recognize. In applying the cost-based input method of revenue recognition, the Company uses actual costs incurred relative to estimated costs to fulfill the combined performance obligation. These costs consist primarily of internal full-time equivalent efforts and third-party costs. Revenue is recognized based on actual costs incurred as a percentage of total estimated costs as the Company completes its performance obligations. The cumulative effect of revisions to estimated costs to complete the Company's performance obligations will be recorded in the period in which changes are identified and amounts can be reasonably estimated.

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During the year ended December 31, 2018, the Company recognized \$19.4 million of collaboration revenue associated with this agreement. As of December 31, 2018, \$16.8 million of deferred revenue, related party is classified as current and \$28.4 million is classified as noncurrent.

### 7. Acquisition of Warp Drive

In October 2018, the Company acquired all outstanding shares of Warp Drive in exchange for issuing 33,079,554 shares of the Company's Series B redeemable convertible preferred stock and \$0.9 million in other consideration, for total consideration of \$69.0 million. Warp Drive was a privately held biotechnology company based in Cambridge, Massachusetts.

Warp Drive's RAS programs include compounds targeting various cancer indications, while its tri-complex platform is targeted at identifying presenter proteins for binding with small molecules and a target. Additionally, Warp Drive had a genome mining platform that is subject to a collaboration agreement with Hoffman-La Roche Ltd. (Roche) involving research in the area of neomorph antibiotics.

Pursuant to ASC Topic 805, *Business Combinations*, the transaction was determined to be a business combination and was accounted for using the acquisition method of accounting. The following table presents a summary of the purchase price consideration for the acquisition:

	(in thousands)
Series B redeemable convertible preferred stock	\$ 68,144
Cash	1,172
Contingently returnable consideration asset	(310)
Total consideration	\$ 69,006

The fair value of \$2.06 per share of Series B redeemable convertible preferred stock was determined using a discounted cash flow model to estimate the value of the Company's equity, and subsequently allocated to the Series B redeemable convertible preferred stock using an option pricing method.

The shares and cash issued as part of the transaction include 2,407,619 shares and less than \$0.1 million of cash subject to a holdback based on certain events associated with Warp Drive's agreement with Roche. The shares and cash subject to the holdback were issued on closing of the acquisition, but would be required to be returned to the Company if the holdback events did not occur. On the acquisition date, the Company determined the fair value of the holdback provision was \$0.3 million and recorded it as a contingently returnable consideration asset on its consolidated balance sheet. The shares subject to the holdback retained their voting rights. In March 2019, the events subject to the holdback occurred and the issued shares and cash were no longer subject to the holdback provision. See Note 3, "Fair value measurements," for a description of the determination of the fair value of the contingently returnable consideration asset.

During the year ended December 31, 2018, the Company incurred \$0.4 million of acquisition-related costs as a result of the Warp Drive acquisition, which were recorded as general and administrative expenses in the consolidated statements of operations and comprehensive loss. The Company also paid \$0.6 million in transaction costs incurred by Warp Drive related to Warp Drive's advisors, which was included as part of the purchase price consideration.

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The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date (in thousands):

	(in thousands)
Assets acquired:	
Cash and other current assets	\$ 1,594
Property and equipment	2,151
In-process research and development—RAS programs	55,800
Developed technology—tri-complex platform	7,480
Developed technology—genome mining platform	6,100
Total assets acquired	73,125
Liabilities assumed:	
Accounts payable and other accrued liabilities	3,790
Convertible note payable, related party	2,000
Deferred revenue	745
Deferred tax liability	12,192
Total liabilities assumed	18,727
Goodwill	14,608
Total	\$ 69,006

The valuations of the IPR&D—RAS programs and developed technology—genome mining platform were determined using the income approach, which discounts expected future cash flows to present value. The discount rates used were between 13% and 14%. The projected cash flows were based on key assumptions such as: estimates of revenues and operating profits related to each program or platform considering its stage of development on the acquisition date; the time and resources needed to complete the development and approval of product candidates; the life of the potential commercialized products and associated risks, including the inherent difficulties and uncertainties in developing a product candidate such as obtaining marketing approval from the FDA and other regulatory agencies; and risks related to the viability of and potential alternative treatments in any future target markets.

Intangible assets associated with acquired IPR&D relate to the RAS programs. Management determined that the estimated acquisition-date fair value of the intangible asset related to IPR&D was \$55.8 million, which was comprised of \$44.1 million related to the KRAS<sup>G12C</sup> program and \$11.7 million related to the KRAS<sup>G12D</sup> program. The KRAS<sup>G12C</sup> and the KRAS<sup>G12D</sup> programs are each focused on developing inhibitors which target specific mutations of KRAS(ON) proteins. The acquired IPR&D is considered to be an indefinite-lived asset until the completion or abandonment of the research and development efforts. The acquired IPR&D will not be amortized until completion of the related products, which is determined by when the underlying programs reach technological feasibility and commence commercial production. Upon completion, the acquired IPR&D will be amortized over its useful life.

The valuation of the developed technology—tri-complex platform was based on a replacement cost approach as the Company's management intends to leverage the platform internally, but does not have the ability to assign a specific income stream to the asset. The tri-complex platform was accounted for as developed technology and is being amortized over 7 years. Amortization expense for the year ended December 31, 2018 was \$0.2 million.

The genome mining platform, including the associated Roche collaboration agreement, was accounted for as held for sale developed technology and was divested in January 2019.

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The Company assumed a convertible promissory note (Convertible Note) as part of the Company's acquisition of Warp Drive. See Note 13, "Related party relationships."

Deferred revenue consists of the remaining estimated cost obligations, including mark-up, associated with the collaboration with Roche. The entire amount was recognized as revenue during the year ended December 31, 2018 and included under collaboration revenue, other in the consolidated statements of operations and comprehensive loss.

The Company recorded \$14.6 million in goodwill associated with this acquisition, which relates to the establishment of a deferred tax liability for the non-deductible in-process research and development intangible assets acquired and synergies resulting from the acquisition. Goodwill will not be amortized but will be tested at least annually for impairment. No impairment has been recognized as of December 31, 2018. Goodwill recorded is not deductible for income tax purposes.

Subsequent to the acquisition, the Company recorded \$1.4 million of severance costs during the year ended December 31, 2018 in the consolidated statement of operations and comprehensive loss.

The acquisition is considered a material business combination and accordingly unaudited pro forma information presented below for the year ended December 31, 2018, includes the effects of pro forma adjustments as if the acquisition of Warp Drive occurred on January 1, 2017, the beginning of the comparable prior annual reporting period. The unaudited pro forma results include adjustments related to the following: (i) amortization expense related to the fair value of identifiable intangible assets acquired, (ii) impact of the genome mining deposition, (iii) alignment of Warp Drive's revenue recognition policy to the Company's adoption method and adoption date of ASC 606, (iv) inclusion of incurred acquisition-related and severance costs as of the earliest period presented, (v) elimination of interest expense and gain related to Warp Drive's convertible note payable, which was converted into Warp Drive common stock immediately prior to the acquisition and subsequently converted into the Company's Series B redeemable convertible preferred stock in connection with the acquisition, and (vi) adjustment of depreciation expense related to the estimated useful lives of property and equipment acquired.

The pro forma financial information presented below is not necessarily indicative of the results of operations that would have been achieved if the acquisition occurred at the beginning of the earliest period presented, nor is it intended to be a projection of future results.

	<b>Year ended December 31,</b>	
	<b>2017</b>	<b>2018</b>
	<b>(unaudited, in thousands)</b>	
Total revenue	\$ 13,318	\$ 20,302
Net loss	(49,887)	(57,151)

Revenues associated with Warp Drive included in the Company's consolidated statement of operations and comprehensive loss were \$0.7 million for the period from acquisition date to December 31, 2018. Net loss associated with Warp Drive included in the Company's consolidated statement of operations and comprehensive loss was \$4.2 million for the period from the acquisition date to December 31, 2018.

## **8. Redeemable convertible preferred stock**

From December 2014 to May 2017, the Company issued a total of 70,221,732 shares of Series A redeemable convertible preferred stock at a price per share of \$1.00 for proceeds of \$70.1 million, net of issuance costs. In March and June 2018, the Company issued a total of 37,620,613 shares of Series B redeemable convertible preferred stock at a price per share of \$1.50 for proceeds of \$56.2 million, net of issuance costs. In October

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2018, the Company issued 33,079,554 shares of Series B redeemable convertible preferred stock in conjunction with acquiring Warp Drive. As part of the Warp Drive acquisition, the Company assumed \$2.0 million in convertible notes payable, which was fully converted into 975,620 shares of Series B redeemable convertible preferred stock in October 2018. In November 2018, the Company issued 2,119,418 shares of Series B redeemable convertible preferred stock at a price per share of \$2.06 for proceeds of \$4.3 million, net of issuance costs.

Redeemable convertible preferred stock consists of the following:

	As of December 31, 2017			
	Shares authorized	Shares issued and outstanding	Net carrying value	Aggregate liquidation preference
	(in thousands, except share data)			
Series A	70,221,732	70,221,732	\$ 72,248	\$ 181,760
	70,221,732	70,221,732	\$ 72,248	\$ 181,760

	As of December 31, 2018			
	Shares authorized	Shares issued and outstanding	Net carrying value	Aggregate liquidation preference
	(in thousands, except share data)			
Series A	70,221,732	70,221,732	\$ 72,248	\$ 80,641
Series B	76,000,000	73,795,205	132,833	113,492
	146,221,732	144,016,937	\$ 205,081	\$ 194,133

The net carrying value of Series A redeemable convertible preferred stock as of December 31, 2017 and 2018 includes \$2.2 million of accretion of the redemption value and cumulative dividends on convertible preferred stock prior to January 1, 2017. No accretion of the redemption value was recorded for the years ended December 31, 2017 and 2018 as the redemption provisions were changed on December 1, 2016. The net carrying value of Series B redeemable convertible preferred stock as of December 31, 2018 includes \$2.1 million related to the change in the fair value of the redeemable convertible preferred stock tranche liability during the year ended December 31, 2018.

The redeemable convertible preferred stock is recorded outside of permanent equity because while it is not mandatorily redeemable, it will become redeemable upon the occurrence of certain liquidation events that are considered not solely within the Company's control. Accordingly, the redeemable convertible preferred stock has been presented in the mezzanine section on the consolidated balance sheets.

The holders of the Company's redeemable convertible preferred stock have various rights, preferences, and privileges as follows:

**Conversion rights**

Each share of redeemable convertible preferred stock shall be convertible, at the option of the holder, into such number of fully paid shares of common stock as is determined by dividing the original issue price by the conversion price in effect at the time of conversion. As of December 31, 2017 and 2018, the initial conversion price per share of redeemable convertible preferred stock is equivalent to the original issue price. The original issuance price was \$1.00 per share for the Series A redeemable convertible preferred stock and \$1.50 per share for the Series B redeemable convertible preferred stock.

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The respective applicable conversion price is subject to adjustment upon any future stock splits or stock combinations, reclassifications or exchanges of similar stock, upon a reorganization, recapitalization, merger or consolidation of the Company, or upon the issuance or sale by the Company of common stock for consideration less than the applicable conversion price.

Each share of Series A and B redeemable convertible preferred stock automatically converts into the number of shares of common stock determined in accordance with the conversion rate upon the earlier of (a) written consent of a majority of the then outstanding shares of Series A and B redeemable convertible preferred stock, voting together as a single class or (b) the closing of a public offering in which the gross cash proceeds are at least \$50.0 million. See Note 14, "Subsequent events."

### ***Dividends***

The holders of the outstanding shares of each series of redeemable convertible preferred stock are entitled to receive, when and if declared by the Board of Directors, a cumulative cash dividend at the rate of 6% of the applicable original issue price per annum on each outstanding share of redeemable convertible preferred stock. Such dividends are payable in preference to any dividends for common stock declared by the Board of Directors. In the case of a dividend on common stock, the dividend per share of redeemable convertible preferred stock would also include the dividend payable on each share determined, if applicable, as if all redeemable convertible preferred stock had been converted to common stock. No dividends had been declared or paid to holders of redeemable convertible preferred stock as of December 31, 2018.

### ***Liquidation***

In the event of any liquidation, dissolution, winding up, or deemed liquidation event of the Company, either voluntary or involuntary, the holders of redeemable convertible preferred stock shall be entitled to receive pro rata, prior and in preference to any distribution to the holders of the common stock, an amount equal to the original issuance prices of each series (in each case, as adjusted for stock splits, stock dividends or distributions, recapitalizations, and similar events) and all declared but unpaid dividends, if any. If the assets and funds to be distributed among the holders of redeemable convertible preferred stock are insufficient to permit the payment to such holders, then the entire assets and funds of the Company legally available for distribution will be distributed ratably among the holders of redeemable convertible preferred stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

Upon the payment of the full liquidation preference of redeemable convertible preferred stock, the remaining assets of the Company, if any, shall be distributed ratably to the holders of common stock.

### ***Voting rights***

Each share of redeemable convertible preferred stock has a number of votes equal to the number of shares of common stock into which it is convertible. The holders of Series A redeemable convertible preferred stock have the right to elect two members of the Company's Board of Directors. The holders of Series B redeemable convertible preferred stock have the right to elect one member of the Company's Board of Directors. The holders of common stock have the right to elect one member of the Company's Board of Directors. The holders of common stock and redeemable convertible preferred stock, voting together as a single class on an as-converted basis, are entitled to elect one member of the Board of Directors.

## **9. Common stock**

As of December 31, 2017 and December 31, 2018, the Company's certificate of incorporation authorized the Company to issue 94,695,000 and 172,000,000 shares of common stock, respectively, at a par value of

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\$0.0001 per share. As of December 31, 2018, the Company has reserved shares of common stock for issuance upon conversion of redeemable convertible preferred stock and exercise of stock options. Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of the redeemable convertible preferred stockholders. As of December 31, 2018, no dividends have been declared to date.

The Company has reserved shares of common stock, on an as-converted basis, for future issuance as follows:

	December 31,	
	2017	2018
Redeemable convertible preferred stock	70,221,732	146,221,732
Outstanding options to purchase common stock	4,774,667	7,945,533
Available for future issuance under the 2014 Equity Incentive Plan	728,294	1,953,480
Total	75,724,693	156,120,745

## 10. Stock-based compensation

In December 2014, the Company adopted the 2014 Equity Incentive Plan (2014 Plan). The 2014 Plan provides for the Company to issue restricted common stock, or to grant incentive stock options or nonqualified stock options for the purchase of common stock, to employees, members of the Board of Directors and consultants of the Company under terms and provisions established by the Board of Directors. The Company generally grants stock-based awards with service-based vesting conditions only. Options granted typically vest over a four-year period but may be granted with different vesting terms.

The following summarizes option activity under the 2014 Plan:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Balance, January 1, 2017	2,539,041	\$ 0.08		
Options granted	5,252,000	0.10		
Options exercised	(2,810,957)	0.08		
Options cancelled	(205,417)	0.09		
Balance, December 31, 2017	4,774,667	\$ 0.09	8.94	\$ 95
Options granted	7,006,374	0.24		
Options exercised	(3,181,562)	0.13		
Options cancelled	(653,946)	0.19		
Balance, December 31, 2018	7,945,533	\$ 0.20	8.76	\$ 5,085
Options vested and expected to vest as of December 31, 2018	7,945,533	\$ 0.20	8.76	\$ 5,085
Options vested and exercisable as of December 31, 2018	2,366,860	\$ 0.11	8.10	\$ 1,734

The aggregate intrinsic values of options outstanding, exercisable, vested and expected to vest were calculated as the difference between the exercise price of the options and the estimated fair value of the Company's

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common stock, as determined by the Board of Directors. The intrinsic value of options exercised for the years ended December 31, 2017 and 2018 was less than \$0.1 million and \$0.4 million, respectively.

During the years ended December 31, 2017 and 2018, the weighted-average grant-date fair value of options granted was \$0.07 and \$0.39 per share, respectively. As of December 31, 2018, there was \$2.1 million of unrecognized stock-based compensation expense related to unvested stock options that is expected to be recognized over a weighted-average period of 2.7 years.

The total fair value of options vested for the years ended December 31, 2017 and December 31, 2018 was \$0.1 million and \$0.7 million, respectively.

The fair value of employee and director stock option awards was estimated at the date of grant using a Black-Scholes option-pricing model with the following assumptions:

	Year ended December 31,	
	2017	2018
Expected term (years)	5–6	5–6
Expected volatility	79%–81%	79%–81%
Risk-free interest rate	1.8%–2.2%	2.5%–3.0%
Dividend yield	0%	0%

Non-employee stock option awards were measured at fair value at each reporting period using a Black-Scholes option-pricing model with the following assumptions:

	Year ended December 31,	
	2017	2018
Expected term (years)	8–10	7–10
Expected volatility	79%–81%	80%
Risk-free interest rate	2.0%–2.4%	2.9%–3.0%
Dividend yield	0%	0%

The fair value of the shares of common stock underlying stock options has historically been determined by the Company's Board of Directors. Because there has been no public market for the Company's common stock, the Board of Directors has determined fair value of the common stock at the time of grant of the option by considering a number of objective and subjective factors including important developments in the Company's operations, valuations performed by an independent third party, sales of redeemable convertible preferred stock, actual operating results and financial performance, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of the Company's common stock, among other factors.

The Black-Scholes model assumptions that determine the fair value of stock-based awards include:

*Expected term*—The expected term represents the weighted-average period the stock options are expected to remain outstanding and is based on the options' vesting terms, contractual terms and industry peers, as the Company did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

*Expected volatility*—Since the Company is privately held and does not have any trading history for its common stock, the expected volatility was estimated based on the average volatility for comparable publicly traded biotechnology companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle or area of specialty.

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*Risk-free interest rate*—The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of option.

*Expected dividend*—The Company has never paid dividends on its common stock and has no plans to pay dividends on its common stock. Therefore, the Company used an expected dividend yield of zero.

Total stock-based compensation expense by function was as follows:

	Year ended December 31,	
	2017	2018
	(in thousands)	
Research and development	\$ 107	\$ 563
General and administrative	34	292
<b>Total</b>	<b>\$ 141</b>	<b>\$ 855</b>

Stock-based compensation related to options granted to non-employees was less than \$0.1 million and \$0.3 million for the years ended December 31, 2017 and 2018, respectively.

The Company allows its employees, non-employees and directors to exercise options granted under the 2014 Plan prior to vesting. The shares related to early exercised stock options are subject to the Company's lapsing repurchase right upon termination of employment at the original purchase price. In order to vest, the holders are required to provide continued service to the Company. The proceeds are initially recorded in other noncurrent liabilities and are reclassified to common stock and additional paid-in capital as the repurchase right lapses. As of December 31, 2017 and 2018, there were 2,634,880 and 2,996,264 shares, respectively, and \$0.3 million and \$0.3 million, respectively, recorded in other noncurrent liabilities, related to early exercised shares that were subject to repurchase.

### **Restricted stock**

In 2014, the Company issued restricted stock awards to employees and directors under the 2014 Plan at a purchase price of \$0.0001 per share. The shares related to restricted stock awards vest over a four-year period and are subject to a lapsing repurchase right upon termination of employment at the original purchase price. Recipients of restricted stock awards have voting and dividend rights with respect to such shares upon grant without regard to vesting.

A summary of restricted stock activity follows:

	Number of restricted shares outstanding
Unvested restricted stock, January 1, 2017	3,464,583
Restricted stock vested	(1,263,020)
Unvested stock repurchased	(1,311,980)
Unvested restricted stock, December 31, 2017	889,583
Restricted stock vested	(889,583)
Unvested restricted stock, December 31, 2018	—

The total fair value of restricted stock vested during the years ended December 31, 2017 and 2018 was less than \$0.1 million for both years presented. As of December 31, 2017 and 2018, the liability for unvested restricted stock that was subject to repurchase was less than \$0.1 million and zero, respectively.

## 11. Income taxes

No provision for income taxes was recorded for the years ended December 31, 2017 and 2018. The Company has incurred net pre-tax losses in the United States only for all periods presented. The Company has not reflected any benefit of such net operating loss carryforwards in the accompanying consolidated financial statements.

The provision for income taxes differs from the amount expected by applying the federal statutory rate to the loss before taxes as follows:

	Year ended December 31,	
	2017	2018
Federal statutory income tax rate	34.0%	21.0%
State income tax rate, net of federal benefit	5.9	(17.2)
Research and development tax credits	2.2	4.4
Change in valuation allowance	(17.0)	(7.0)
Non-deductible permanent expenses	(0.2)	(1.4)
Remeasurement of deferred tax due to tax law change	(24.6)	—
Other	(0.3)	0.2
Provision for income taxes	0.0%	0.0%

In December 2017, the U.S. government enacted comprehensive tax legislation through the Tax Cuts and Jobs Act (Tax Act). The Tax Act significantly revises the future ongoing U.S. corporate income tax by, among other things, lowering the U.S. corporate income tax rates and implementing a modified territorial tax system. The corporate tax rate was reduced from 34% to 21% for tax years beginning after December 31, 2017. Changes in tax law are accounted for in the period of enactment. As such, the Company's consolidated financial statements as of December 31, 2017 reflect the impact of this Tax Act, which primarily consisted of remeasuring the Company's deferred tax assets and valuation allowance using the newly enacted U.S. corporate tax rate. This rate change resulted in a \$7.7 million reduction in the Company's net deferred tax assets from the prior year with a corresponding offset to the valuation allowance. Under the Tax Act, net operating losses arising after December 31, 2017 do not expire and cannot be carried back. However, the Tax Act limits the amount of net operating losses that can be used annually to 80% of taxable income for periods beginning after December 31, 2017. Existing net operating losses arising in years ending on or before December 31, 2017 are not affected by these provisions.

In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118), which provides guidance for the tax effects of the 2018 Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act's enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, the Company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that the Company's accounting for certain income tax effects of the Tax Act is incomplete, but is it able to determine a reasonable estimate, the Company must record a provisional estimate in its financial statements. If the Company cannot determine a provisional estimate to be included in its financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act. The amounts of the tax effects related to the Tax Act reflected in the Company's consolidated financial statements as of December 31, 2017 represented the Company's reasonable estimates and were provisional amounts within the meaning of SAB 118. The Company completed its analysis of the Tax Act's income tax effects during the year ended December 31, 2018. There was no material impact to the consolidated financial statements as of and for the year ended December 31, 2018.

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The Company has established a valuation allowance against its deferred tax assets due to the uncertainty surrounding the realization of such assets. Significant components of the Company's deferred tax assets and liabilities are summarized as follows:

	December 31,	
	2017	2018
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 16,448	\$ 19,579
Accruals and reserves	1,331	11,338
Research and development credits	1,403	6,707
Fixed assets and finite-lived intangible assets	524	—
Stock-based compensation	35	147
Other	15	13
Gross deferred tax assets	19,756	37,784
Less: valuation allowance	(19,756)	(34,870)
Total deferred tax assets	—	2,914
Deferred tax liabilities:		
Fixed assets and finite-lived intangible assets	—	(2,914)
Indefinite-lived intangible asset	—	(12,192)
Gross deferred tax liabilities	—	(15,106)
Net deferred tax liability	\$ —	\$(12,192)

The realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Due to the lack of earnings history, the net deferred tax assets have been offset by a valuation allowance. The valuation allowance increased by \$5.3 million and \$15.1 million during the years ended December 31, 2017 and 2018, respectively.

The net deferred tax liability represents the difference between the book and tax basis for in-process research and development acquired in connection with the acquisition of Warp Drive. See Note 7, "Acquisition of Warp Drive."

The Company had net operating loss carryforwards for federal, California and Massachusetts income tax purposes of \$93.2 million, \$58.8 million and \$38.2 million, respectively, as of December 31, 2018. The federal and Massachusetts net operating loss carryforwards, if not utilized, will expire beginning in 2031. California net operating loss carryforwards, if not utilized, will expire beginning in 2034. Under the Tax Act, federal net operating losses arising after December 31, 2017 do not expire and cannot be carried back. However, the Tax Act limits the amount of federal net operating losses that can be used annually to 80% of taxable income for periods beginning after December 31, 2017. Existing federal net operating losses arising in years ending on or before December 31, 2017 are not affected by these provisions.

The Company also had federal and state research and development credit carryforwards of \$5.9 million and \$3.9 million, respectively, as of December 31, 2018. The federal credits will expire starting in 2030 if not utilized and the state research credits will expire beginning in 2026, with the exception of \$2.8 million in California research credits, which can be carried forward indefinitely.

Federal, California and Massachusetts tax laws impose significant restrictions on the utilization of net operating loss carryforwards in the event of a change in ownership of the Company, as defined by Internal Revenue Code Section 382 (Section 382). The Company performed a study in which it determined that it had experienced a change in ownership in June 2018 as defined by Section 382. No federal or state net operating losses are expected to expire unutilized as a result of the limitation. In addition, in the future the Company may

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experience ownership changes, which may limit the utilization of net operating loss carryforwards or other tax attributes.

**Unrecognized tax benefits**

No liability related to uncertain tax positions has been recorded in the consolidated financial statements.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	<b>December 31,</b>	
	<b>2017</b>	<b>2018</b>
	<b>(in thousands)</b>	
Beginning balance	\$261	\$ 525
Changes related to tax positions taken in the prior year	(15)	872
Changes related to tax positions taken in current year	279	1,044
Ending balance	\$525	\$ 2,441

The Company has unrecognized tax benefits of \$0.5 million and \$2.2 million as of December 31, 2017 and 2018, which would affect the effective tax rate if recognized; however, recognition would be in the form of a deferred tax attribute which would likely be offset by a valuation allowance.

The Company does not anticipate any significant changes to unrecognized tax benefits over the next 12 months.

Income tax returns are filed in the United States, California and Massachusetts. The years 2010 through 2018 remain open to examination by the domestic taxing jurisdictions to which the Company is subject. Net operating losses generated on a tax return basis by the Company for 2010 through 2018 remain open to examination by the domestic taxing jurisdictions.

**12. Net loss per share attributable to common stockholders and unaudited pro forma net Loss per share**

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	<b>Year ended December 31,</b>	
	<b>2017</b>	<b>2018</b>
	<b>(in thousands, except share and per share data)</b>	
<b>Numerator:</b>		
Net loss	\$ (31,127)	\$ (41,789)
Redeemable convertible preferred stock dividends—undeclared and cumulative	(3,763)	(7,031)
Net loss attributable to common stockholders	\$ (34,890)	\$ (48,820)
<b>Denominator:</b>		
Weighted-average shares outstanding	12,018,319	15,283,682
Less: Weighted-average unvested restricted shares and shares subject to repurchase	(3,632,146)	(4,097,395)
Weighted-average shares used to compute net loss per share attributable to common stockholders—basic and diluted	8,386,173	11,186,287
Net loss per share attributable to common stockholders—basic and diluted	\$ (4.16)	\$ (4.36)

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The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net loss per share for the periods presented due to their anti-dilutive effect:

	December 31,	
	2017	2018
Redeemable convertible preferred stock	70,221,732	144,016,937
Options to purchase common stock	4,774,667	7,945,533
Options early exercised subject to future vesting	2,634,880	2,996,264
Restricted stock subject to future vesting	889,583	—
Total	78,520,862	154,958,734

### **Unaudited pro forma net loss per share**

The following table sets forth the computation of unaudited pro forma basic and diluted net loss per share for the year ended December 31, 2018:

	Year ended December 31, 2018	
	(unaudited, in thousands, except share and per share data)	
Numerator:		
Net loss attributable to common stockholders	\$	(48,820)
Adjust: Redeemable convertible preferred stock dividends—undeclared and cumulative		7,031
Adjust: Change in fair value of redeemable convertible preferred stock liability		2,121
Pro forma net loss	\$	(39,668)
Denominator:		
Weighted average shares used to compute net loss per share attributable to common stockholders—basic and diluted		11,186,287
Pro forma adjustment to reflect conversion of redeemable convertible preferred stock		101,528,454
Weighted average shares used in computing pro forma net loss per share—basic and diluted		112,714,741
Pro forma net loss per share—basic and diluted	\$	(0.35)

### **13. Related party relationships**

In October 2018, the Company acquired all outstanding shares of Warp Drive Bio, Inc., or Warp Drive. In connection with the acquisition, the Company issued 33,079,554 shares of Series B redeemable convertible preferred stock (the Acquisition Shares). Of the Acquisition Shares, 8,315,308 shares of Series B redeemable convertible preferred stock were issued to entities affiliated with Third Rock Ventures, a related party. In addition, Alexis Borisy, who is currently a member of the Company's board of directors and was a member of the Company's board of directors at the time of the acquisition of Warp Drive, was then an affiliate of Third Rock Ventures. Of the Acquisition Shares, 16,364,939 shares of Series B redeemable convertible preferred stock were issued to Sanofi, which became a related party following the acquisition. See Note 6, "Sanofi collaboration agreement," for a discussion of the Sanofi collaboration agreement.

In connection with the Company's acquisition of Warp Drive, the Company assumed a Convertible Note issued by Warp Drive to an entity affiliated with Third Rock Ventures, dated October 8, 2018. The Convertible Note was issued in a principal amount of \$2.0 million, with interest at an annual rate of 8% computed on the basis of a 360-day year. On October 30, 2018, at the Company's election, the Company converted the Convertible Note into 975,620 shares of Series B redeemable convertible preferred stock which were issued to an entity affiliated with Third Rock Ventures pursuant to the terms of the Convertible Note.

Following the Company's acquisition of Warp Drive, in January 2019, the Company entered into a sublease agreement with Casma to sublease the Cambridge Lease. The sublease by Casma and related sublease payments by Casma to the Company are fully guaranteed by an affiliate of Third Rock Ventures.

From July 2015 to June 2018, the Company subleased a portion of its Redwood City Lease to Pliant Therapeutics, Inc., an entity affiliated with Third Rock Ventures.

#### **14. Subsequent events**

Subsequent events have been evaluated through September 19, 2019, which is the date that these annual consolidated financial statements were available to be issued.

During June and July 2019, the Company issued a total of 48,683,038 shares of Series C redeemable convertible preferred stock at a price of \$2.06 per share for total proceeds of \$100.0 million, net of issuance costs. The original issue price for the conversion and liquidation preference calculations described in Note 8, "Redeemable Convertible Preferred Stock" for the Series C redeemable convertible preferred stock is \$2.06. The automatic conversion feature for all series of redeemable convertible preferred stock related to the closing of an IPO of common stock resulting in at least \$50 million in gross proceeds, was adjusted to also require a minimum IPO price of \$2.06 per share of common stock, subject to adjustment for stock dividends, stock splits, combinations or other similar recapitalizations.

In March 2019, the Company granted options to purchase an aggregate of 5,900,988 shares of common stock with an exercise price of \$0.84 per share. In August 2019, the Company granted options to purchase an aggregate of 9,829,904 shares of common stock with an exercise price of \$0.97 per share.

In January 2019, the Company sold the genome mining platform and related Roche collaboration agreement acquired during the Warp Drive acquisition to Gingko Bioworks (Gingko). The Company received \$6.0 million in cash consideration from Gingko and Roche as part of the transaction, and is entitled to receive up to 25% of future milestones earned by Gingko under the collaboration agreement with Roche included as part of this sale. The Company recognized a loss on disposal of \$0.6 million in 2019 as a result of this sale.

# Report of Independent Auditors

To the Board of Directors of Warp Drive Bio, Inc.:

We have audited the accompanying financial statements of Warp Drive Bio, Inc., which comprise the balance sheet as of December 31, 2017, and the related statements of operations and comprehensive loss, of convertible preferred stock and stockholders' deficit and of cash flows for the year then ended.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warp Drive Bio, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses, will require additional financing to fund future operations, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP  
Boston, Massachusetts  
October 16, 2018

# Report of Independent Auditors

The Board of Directors Warp Drive Bio, Inc.

We have audited the accompanying financial statements of Warp Drive Bio, Inc. (the Company), which comprise the balance sheet as of December 31, 2016, and the related statements of operations and comprehensive loss, changes in stockholders' (deficit) equity and cash flows for the year then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warp Drive Bio, Inc. at December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

## The Company's Ability to Continue as a Going Concern

The accompanying financial statements for the year ended December 31, 2016 have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's recurring use of cash to fund operations, recurring losses and net capital deficiency raise substantial doubt about its ability to continue as a going concern. Management's plans in regard these matters are also discussed in Note 1 to the financial statements. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP  
Boston, MA

June 30, 2017, except for Notes 7, 8 and 13, as to which the date is September 19, 2019

## Warp Drive Bio, Inc.

### Balance sheets

	December 31,	
	2017	2016
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 18,616,527	\$ 2,173,765
Prepaid expenses and other current assets	527,558	543,802
Total current assets	19,144,085	2,717,567
Property and equipment, net	4,008,581	5,438,180
Restricted cash	213,581	320,261
Total assets	\$ 23,366,247	\$ 8,476,008
<b>Liabilities, Convertible Preferred Stock and Stockholders' Deficit</b>		
Current liabilities		
Accounts payable	\$ 1,816,045	\$ 1,296,483
Accrued expenses	2,159,209	1,854,562
Current portion of capital lease	114,866	—
Current portion of deferred revenue	5,482,353	663,201
Current portion of deferred rent	107,783	815,991
Total current liabilities	9,680,256	4,630,237
Convertible Notes payable, related party	33,989,320	22,055,057
Capital lease, less current portion	301,364	—
Deferred revenue, less current portion	17,250,000	2,228,174
Deferred rent, less current portion	255,067	143,494
Total liabilities	61,476,007	29,056,962
Commitments and contingencies (Note 10)		
Convertible preferred stock		
Series A convertible preferred stock, \$0.001 par value; 75,000,000 shares authorized, issued and outstanding at December 31, 2017 and 2016; aggregate liquidation preference of \$99,983,111 and \$93,983,111 at December 31, 2017 and 2016, respectively (Note 8)	74,259,411	74,259,411
Stockholders' deficit		
Common stock, \$0.001 par value; 121,500,000 shares authorized, 19,083,561 and 21,254,788 shares issued and outstanding at December 31, 2017 and 2016, respectively	19,084	21,255
Additional paid-in capital	5,088,905	4,447,929
Accumulated deficit	(117,477,160)	(99,309,549)
Total stockholders' deficit	(112,369,171)	(94,840,365)
Total liabilities, convertible preferred stock and stockholders' deficit	\$ 23,366,247	\$ 8,476,008

The accompanying notes are an integral part of these financial statements.

## Warp Drive Bio, Inc.

### Statements of operations and comprehensive loss

	Year ended December 31,	
	2017	2016
Revenue		
Collaboration revenue, related party	\$ 13,009,022	\$ 1,858,625
Collaboration revenue	1,150,000	—
Grant revenue	1,671,881	—
Total revenue	15,830,903	1,858,625
Operating expenses		
Research and development	23,584,888	20,192,431
General and administrative	7,524,205	8,034,661
Total operating expenses	31,109,093	28,227,092
Loss from operations	(15,278,190)	(26,368,467)
Interest and other income	45,111	18,747
Interest expense	(2,934,532)	(1,062,213)
Net loss and comprehensive loss	\$ (18,167,611)	\$ (27,411,933)

The accompanying notes are an integral part of these financial statements.

## Warp Drive Bio, Inc.

### Statements of convertible preferred stock and stockholders' deficit

	Series A preferred units capital interests		Series A convertible preferred stock		Common stock		Capital interests		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Units	Amount	Shares	Amount	Units/ Shares	Amount	Units	Amount			
<b>Balances at January 1, 2016</b>	75,000,000	\$ 74,259,411	—	\$ —	1,323,530	\$ 1,324	17,155,708	\$ 3,454,622	\$ —	\$ (71,897,616)	\$ (68,441,670)
Effect of restructuring (Note 8)	(75,000,000)	(74,259,411)	75,000,000	74,259,411	17,155,708	17,156	(17,155,708)	(3,454,622)	3,437,466	—	—
Issuance of restricted stock	—	—	—	—	3,742,345	3,742	—	—	33,681	—	37,423
Cancellation of unvested restricted stock	—	—	—	—	(966,795)	(967)	—	—	(8,701)	—	(9,668)
Stock-based compensation	—	—	—	—	—	—	—	—	985,483	—	985,483
Net loss	—	—	—	—	—	—	—	—	—	(27,411,933)	(27,411,933)
<b>Balances at December 31, 2016</b>	—	\$ —	75,000,000	\$ 74,259,411	21,254,788	\$ 21,255	—	\$ —	\$ 4,447,929	\$ (99,309,549)	\$ (94,840,365)
Issuance of restricted stock	—	—	—	—	1,107,150	1,107	—	—	9,965	—	11,072
Cancellation of unvested restricted stock	—	—	—	—	(3,278,377)	(3,278)	—	—	(9,467)	—	(12,745)
Stock-based compensation	—	—	—	—	—	—	—	—	640,478	—	640,478
Net loss	—	—	—	—	—	—	—	—	—	(18,167,611)	(18,167,611)
<b>Balance at December 31, 2017</b>	—	\$ —	75,000,000	\$ 74,259,411	19,083,561	\$ 19,084	—	\$ —	\$ 5,088,905	\$ (117,477,160)	\$ (112,369,171)

The accompanying notes are an integral part of these financial statements.

# Warp Drive Bio, Inc.

## Statements of cash flows

	Year ended December 31,	
	2017	2016
<b>Operating activities</b>		
Net loss	\$ (18,167,611)	\$ (27,411,933)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Noncash interest expense	2,934,532	1,062,213
Stock-based compensation	640,478	985,483
Gain on sale of property and equipment	—	(12,138)
Depreciation and amortization	2,497,208	2,367,426
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	45,240	(57,482)
Accounts payable	772,994	71,977
Accrued expenses	304,647	(562,992)
Deferred revenue	19,840,978	2,891,375
Deferred rent	(596,635)	(777,190)
Net cash provided by (used in) operating activities	8,271,831	(21,443,261)
<b>Investing activities</b>		
Change in restricted cash	106,754	—
Purchases of property and equipment	(933,881)	(2,071,413)
Proceeds from sale of property and equipment	—	40,000
Net cash used in investing activities	(827,127)	(2,031,413)
<b>Financing activities</b>		
Proceeds from the issuance of restricted stock	11,072	37,423
Repurchase of unvested restricted stock	(12,745)	(9,668)
Proceeds from convertible notes payable with related party	8,999,731	17,451,965
Net cash provided by financing activities	8,998,058	17,479,720
Net increase (decrease) in cash and cash equivalents	16,442,762	(5,994,954)
<b>Cash and cash equivalents</b>		
Beginning of year	2,173,765	8,168,719
End of year	\$ 18,616,527	\$ 2,173,765
<b>Supplemental disclosure of noncash activities</b>		
Equipment purchases included in accounts payable	\$ 23,636	\$ 277,068
Equipment purchases under capital lease	416,230	—

The accompanying notes are an integral part of these financial statements.

# Warp Drive Bio, Inc.

## Notes to the financial statements

### 1. Organization and basis of presentation

Warp Drive Bio, Inc. (the "Company") operates on the core principle that nature is the most powerful inventor of new drugs, unconstrained by the boundaries of modern science. The Company is deploying innovative Small Molecule-Assisted Receptor Targeting (SMART™) and Genomic Mining / antibiotic platforms to discover new medicines that have the potential to make a significant difference in the lives of patients. The Company was launched in 2011 through a partnership with Sanofi and with financing from Third Rock Ventures and Greylock Partners.

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders and restructured the Company as a C Corporation after a series of mergers with certain affiliates in a tax-free manner. The Company's shareholders stayed predominantly the same after these transactions.

The Company is subject to a number of risks similar to other life science companies including, but not limited to, raising additional capital, development by its competitors of new technological innovations, protection of proprietary technology, and market acceptance of the Company's products.

#### **Liquidity**

The Company's financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. The Company has primarily funded its operations with proceeds from the sales of preferred units and milestones achieved as a result of collaboration arrangements. The Company has incurred losses since its inception, including net losses of approximately \$18.2 million and \$27.4 million for the years ended December 31, 2017 and 2016. As of December 31, 2017, the Company had an accumulated deficit of approximately \$117.5 million. The Company expects that its operating losses will continue for the foreseeable future. As of October 16, 2018, the issuance date of the financial statements for the year ended December 31, 2017, the Company expects that its cash and cash equivalents will not be sufficient to fund its operating expenses and capital expenditure requirements for at least the next 12 months from the date that the financial statements are issued. The future viability of the Company is dependent on its ability to raise additional capital to finance its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management's plans to alleviate these conditions that raise substantial doubt regarding the Company's ability to continue as a going concern include pursuing one or more of the following steps to raise additional funding, none of which can be guaranteed or are entirely within the Company's control:

- Sell Company's stock in private equity financings.
- Earn milestones payments under the Company's collaboration with Roche. See Note 4.

There can be no assurance, however, that the Company will receive cash proceeds from any of these potential resources or, to the extent cash proceeds are received, those proceeds would be sufficient to support the Company's operations for at least the next year following the date that the financial statements are issued. Management has concluded the likelihood that its plan to obtain sufficient funding from one or more of these sources will be successful, while reasonably possible, is less than probable. Accordingly, management has concluded that substantial doubt exists regarding the Company's ability to continue as a going concern.

## 2. Summary of significant accounting policies

### ***Use of estimates***

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

### ***Patent costs***

The Company expenses patent and related legal costs as incurred as general and administrative expenses in the statements of operations and comprehensive loss.

### ***Comprehensive loss***

Comprehensive loss is comprised of net loss and other comprehensive income (loss), if any. For the years ended December 31, 2017 and 2016, comprehensive loss was equal to net loss.

### ***Cash and cash equivalents***

Cash equivalents are short-term, highly liquid investments that are readily convertible into cash, with original maturities of three months or less.

### ***Restricted cash***

As of December 31, 2017 and 2016, the Company has \$213,581 and \$320,261, respectively, of long-term restricted cash related to deposits with a financial institution, which are used to collateralize letters of credit issued to the landlord of the Company's leased facility (Note 10). During the year ended December 31, 2017, the Company reduced its restricted cash by \$106,754 in accordance with the Company's facility lease.

### ***Property and equipment***

Property and equipment are stated at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are recorded to expense as incurred, whereas major improvements are capitalized as additions to property and equipment. Amortization of capital leases are included in depreciation expense. The Company reviews its property and equipment whenever events or changes in circumstances indicate that the carrying value of certain assets might not be recoverable, and recognizes an impairment loss when it is probable that an asset's realizable value is less than the carrying value. To date, no such impairment losses have been recorded.

### ***Fair value of financial instruments***

Financial Accounting Standards Board Accounting Standards Codification (ASC) 825, Financial Instruments, requires disclosure of the fair value of financial instruments. For financial instruments including cash equivalents, accounts payable and accrued expenses, the carrying amount approximates fair value due to their short-term nature.

The Company believes that its debt obligations bear interest at rates which approximate prevailing market rates for instruments with similar characteristics and, accordingly, the carrying values for these instruments approximate fair value. The debt fair value measurements are considered Level 2 in the fair value hierarchy.

**Fair value measurements**

ASC 820, Fair Value Measurements and Disclosures (ASC 820), defines fair value and establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. ASC 820 codifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability, and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Fair value measurements are classified and disclosed in one of the following three categories:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities.

The Company measures the following financial assets at fair value on a recurring basis. The fair value of these assets was determined as follows at December 31, 2017 and 2016:

	Balance at December 31, 2017	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets				
Money market funds	\$ 18,411,704	\$ 18,411,704	\$ —	\$ —
Cash equivalents	\$ 18,411,704	\$ 18,411,704	\$ —	\$ —

	Balance at December 31, 2016	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets				
Money market funds	\$ 2,072,164	\$ 2,072,164	\$ —	\$ —
Cash equivalents	\$ 2,072,164	\$ 2,072,164	\$ —	\$ —

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In 2018, the Company identified an error in the amount of cash equivalents, specifically money market funds, reported in its 2016 leveling disclosures which resulted in an understatement of money market funds balances of \$2,036,577 at December 31, 2016 and an offsetting overstatement of its cash balance presentation in the leveling table. In accordance with accounting guidance in ASC 250, the Company concluded that this error was not material to the previously issued financial statements. The disclosure has been revised to reflect the corrected money market funds balance of the Company, as follows:

	December 31, 2016		
	As reported	Adjustment	As revised
Money market funds	\$ 35,587	\$ 2,036,577	\$2,072,164

In addition, cash balances were removed from the leveling table. The revisions had no impact to the previously reported Balance Sheets, Statements of Operations and Comprehensive Loss, Statements of Convertible Preferred Stock and Stockholders' Deficit or the Statements of Cash Flows.

### **Revenue recognition**

#### **Collaboration revenue**

Beginning on October 5, 2017, the Company has earned revenue under the research collaboration with F. Hoffman-La Roche Limited and Hoffman-La Roche Inc. (Roche) concentrated on the development of drug candidates from novel natural products with antibiotic properties called Neomorphs.

Beginning on January 8, 2016, the Company has earned revenue under the research collaboration with Sanofi Research Invest, LLC (Sanofi), a large shareholder, in which the Company granted an exclusive license focused on the development of drugs targeting important human oncogenes.

See Note 4 regarding the notice of termination of this collaboration during the year ended December 31, 2017.

The Company recognizes revenue in accordance with ASC Topic 605, Revenue Recognition (ASC 605). Accordingly, revenue is recognized for each unit of accounting when all of the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred or services have been rendered;
- The seller's price to the buyer is fixed or determinable; and
- Collectability is reasonably assured.

Amounts received prior to satisfying the revenue recognition criteria are recorded as deferred revenue. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified in current liabilities. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as deferred revenue, less current portion.

The Company evaluates multiple—element arrangements based on the guidance in ASC Topic 605—25, Revenue Recognition Multiple—Element Arrangements (ASC 605—25). Pursuant to the guidance in ASC 605—25, the Company evaluates multiple—element arrangements to determine (1) the deliverables included in the arrangement and (2) whether the individual deliverables represent separate units of accounting or whether they must be accounted for as a combined unit of accounting. This evaluation involves subjective determinations and requires the Company to make judgments about the individual deliverables and whether such deliverables are separable from the other aspects of the contractual relationship. Deliverables are considered separate units of accounting provided that the delivered item has value to the customer on a standalone basis and, if the arrangement includes a general right of return relative to the delivered item,

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delivery or performance of the undelivered item is considered probable and substantially in the Company's control. In assessing whether an item has standalone value, the Company considers factors such as the research, development, manufacturing and commercialization capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Company considers whether the collaboration partner can use a deliverable for its intended purpose without the receipt of the remaining deliverable, whether the value of the deliverable is dependent on the undelivered item and whether there are other vendors that can provide the undelivered items.

The consideration received under the arrangement that is fixed or determinable is then allocated among the separate units of accounting using the relative selling price method. The Company determines the estimated selling price for units of accounting within each arrangement using vendor—specific objective evidence (VSOE) of selling price, if available, third—party evidence (TPE) of selling price if VSOE is not available, or best estimate of selling price (BESP) if neither VSOE nor TPE is available. Determining the BESP for a unit of accounting requires significant judgment. In developing the BESP for a unit of accounting, the Company considers applicable market conditions and relevant entity—specific factors, including factors that were contemplated in negotiating the agreement with the customer and estimated costs. The Company validates the BESP for units of accounting by evaluating whether changes in the key assumptions used to determine the BESP will have a significant effect on the allocation of arrangement consideration between multiple units of accounting.

The Company recognizes arrangement consideration allocated to each unit of accounting when all of the revenue recognition criteria in ASC 605 are satisfied for that particular unit of accounting. In the event that a deliverable does not represent a separate unit of accounting, the Company recognizes revenue from the combined unit of accounting over the Company's contractual or estimated performance period for the undelivered elements, which is typically the term of the Company's research and development obligations. If there is no discernible pattern of performance or objectively measurable performance measures do not exist, then the Company recognizes revenue under the arrangement on a straight—line basis over the period the Company is expected to complete its performance obligations.

At the inception of an arrangement that includes milestone payments, the Company evaluates whether each milestone is substantive and at risk to both parties on the basis of the contingent nature of the milestone. This evaluation includes an assessment of whether: (1) the consideration is commensurate with either the Company's performance to achieve the milestone or the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from its performance to achieve the milestone, (2) the consideration relates solely to past performance and (3) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone and the level of effort and investment required to achieve the particular milestone in making this assessment. There is considerable judgment involved in determining whether a milestone satisfies all of the criteria required to conclude that a milestone is substantive. Milestones that are not considered substantive are recognized as earned if there are no remaining performance obligations or over the remaining period of performance, assuming all other revenue recognition criteria are met. The Company uses the cumulative catch-up approach.

The Company will recognize royalty revenue in the period of sale of the related product(s), based on the underlying contract terms, provided that the reported sales are reliably measurable and the Company has no remaining performance obligations, assuming all other revenue recognition criteria are met.

The Company follows the accounting guidance in ASC 808 Collaborations for collaborative arrangements which require that certain transactions between collaborators be recorded in the Statement of Operations and Comprehensive Loss on either a gross or net basis, depending on the characteristics of the collaboration relationship, and provides for enhanced disclosure of collaborative relationships. The Company accounts for

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collaborations within the scope of ASC 808 when both parties are actively participating and exposed to significant risks and rewards. The ASC 808 guidance is specific to presentation and disclosure and does not address recognition and measurement. The Company evaluated its collaborative agreements for proper classification in the Statement of Operations and Comprehensive Loss based on the nature of the underlying activity.

If payments to and from collaborative partners are not within the scope of other authoritative literature, the classification in the Statement of Operations and Comprehensive Loss for the payments is based on a reasonable, rational analogy to authoritative accounting that is applied in a consistent manner. Payments and services are reviewed in order to determine if gross or net presentation is appropriate.

### **Grant revenue**

The Company has concluded to recognize funding received from antibiotic grants from the Gates Foundation, the Cystic Fibrosis Foundation and the Small Business Innovative Research program as revenue, rather than as a reduction of research and development expenses, because the Company is the principal in conducting the research and development activities and these contracts are central to its Neomorph antibiotic ongoing operations. Revenue is recognized as the qualifying expenses related to the contracts are incurred and at times approved by the counter- party. Revenue recognition commences only once persuasive evidence of a contract exists, services have been rendered, the reimbursement amounts under the contract are fixed or determinable and approved by the counter party, and collectability is reasonably assured.

### **Research and development costs**

Expenditures relating to research and development are expensed in the period incurred. R&D costs consist of compensation and benefits (including stock-based compensation) for R&D employees, an allocation of facility expenses, overhead expenses, fees paid to contract research organizations (CROs) and other outside expenses.

### **General and administrative costs**

General and administrative costs primarily costs of compensation and benefits (including stock- based compensation) of executive, human resources, and finance employees. Other costs include facility costs not otherwise included in research and development expense, and professional fees for legal and accounting services. General and administrative expense also consists of the costs of maintaining the Company's intellectual property.

### **Income taxes**

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders and restructured the Company as a C Corporation after a series of mergers with certain affiliates in a tax-free manner. The holders of common units received an equivalent number of common stock.

The Company uses the liability method to account for income taxes. Deferred tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities, as well as net operating loss and tax credit carryforwards, and are measured using the enacted tax rates and laws that will be in effect when the differences reverse. Deferred tax assets are reduced by a valuation allowance to reflect the uncertainty associated with their ultimate realization. The effect of a change in tax rate on deferred taxes is recognized in income or loss in the period that includes the enactment date.

The Company uses its judgment for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes any material interest and penalties related to unrecognized tax benefits in income tax expense.

***Concentrations of credit risk and off-balance sheet risk***

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk primarily consist of cash held in traditional bank accounts. At December 31, 2017, the Company's cash was deposited with a large financial institution and, accordingly, the Company believes such funds are subject to minimal credit risk. The Company invests its cash equivalents in highly rated money market funds.

***Stock-based compensation***

The Company accounts for stock-based compensation awards in accordance with ASC Topic 718, Compensation—Stock Compensation (ASC 718). ASC 718 requires all share-based payments to employees, including unvested restricted stock, to be recognized as expense in the statements of operations based on their grant date fair values. In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders and restructured the Company as a C Corporation. In 2016 as a C Corporation, the Company granted unvested restricted stock to employees and members of the Board of Directors. Stock-based compensation for restricted stock issued for consideration less than the fair market value is recognized over the vesting period on a straight-line basis.

Share-based payments issued to nonemployees are initially recorded at their fair values, and are revalued at each reporting date and as the equity instruments vest and are recognized as expense over the related service period in accordance with the provisions of ASC Topic 505-50, Equity-Based Payments to Non Employees. During the year ended December 31, 2017, 25,000 unvested restricted stock was granted to nonemployees. During the year ended December 31, 2016, no unvested restricted stock was granted to nonemployees. Stock-based compensation costs for nonemployee awards is recognized as services are provided, which is generally the vesting period, on a straight-line basis. The unvested portion of the restricted stock is subject to remeasurement over the vesting period.

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders and restructured the Company as a C Corporation after a series of mergers with certain affiliates in a tax-free manner. The holders of common units and capital interests received an equivalent number of common stock with the same vesting provisions as the original awards.

The Company has utilized significant estimates and assumptions in determining the fair value of its common stock and common units. The Board of Directors determined the estimated fair value of the Company's common stock based on a number of objective and subjective factors, including the lack of an active public market for the Company's common and convertible preferred stock; the prices of shares of the Company's convertible preferred stock that the Company had sold to outside investors in arm's length transactions, and the rights, preferences, and privileges of that convertible preferred stock relative to the Company's common stock; the Company's results of operations and financial condition; the Company's entry into collaboration agreements; the material risks related to the Company's business; the Company's business strategy; the market performance of publicly traded companies in the life sciences and biotechnology sectors; and the likelihood of achieving a liquidity event for the holders of the Company's common stock, such as an initial public offering (IPO), given prevailing market conditions. Significant changes to the key assumptions used in the valuations could have resulted in different fair values of the Company's common stock at each valuation date.

**Recent accounting pronouncements**

In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, No. 2014-9, Revenue from Contracts with Customers, or ASU No. 2014-9, which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the Company expects to receive for those goods or services. The update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for private companies for annual reporting periods beginning after December 15, 2018 and should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. This standard amends the existing guidance to require lessees to present most leases on their balance sheets and recognize corresponding expenses on their statements of operations. It is effective for annual reporting periods beginning after December 15, 2019, but early adoption is permitted. The Company is currently evaluating the impact that this standard will have on its financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting, or ASU No. 2016-09, which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification of cash flows. ASU No. 2016-09 is effective for annual periods beginning after December 15, 2017. The Company is currently evaluating the impact that this standard will have on its financial statements.

In November 2016, FASB issued ASU No. 2016-18, Statement of Cash Flows, Restricted Cash, or ASU No. 2016-18. ASU No. 2016-18 provides guidance on the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. Under ASU No. 2016-18, the statement of cash flows shall explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and cash equivalents should now be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statements of cash flows. The amendments of this ASU are effective for reporting periods beginning after December 15, 2017, with early adoption permitted. Other than the revised statement of cash flows presentation, the adoption of ASU No. 2016-18 will not have an impact on the Company's financial statements.

### 3. Property and equipment

	Useful life	2017	2016
Lab equipment	5 years	\$ 8,971,721	\$ 8,039,013
Computer equipment and software	3 years	738,132	603,231
Office furniture	5 years	129,460	129,460
Leasehold improvements	Lesser of useful life or lease term	4,827,801	4,827,801
Total property and equipment, at cost		14,667,114	13,599,505
Accumulated depreciation and amortization		(10,658,533)	(8,161,325)
Property and equipment, net		\$ 4,008,581	\$ 5,438,180

The Company has leases for lab equipment that meets the criteria to be accounted for as a capital lease. As of December 31, 2017 and 2016, lab equipment under capital leases totaled \$1,088,588 and \$701,427, respectively. Accumulated depreciation on such equipment totaled \$701,427 as of December 31, 2017 and 2016.

The Company incurred depreciation and amortization expense of \$2,497,208 and \$2,367,426 for the years ended December 31, 2017 and 2016, respectively.

### 4. Collaborations

#### A. Summary of Roche Collaboration

##### Overall

In October 2017, the Company and Roche entered into a collaboration agreement ("Roche Collaboration Agreement") utilizing the Company's proprietary genome mining platform to discover and develop multiple novel classes of antibiotics. The serious global health threat of multidrug-resistant bacterial infections has created an urgent need for new antibiotics with novel structures and mechanisms of action.

Under the Roche Collaboration Agreement, the Company is focused on antibiotics with activity against clinically important, drug-resistant, Gram-negative pathogens. The Company's platform enables access to natural product drugs that have not been analyzed previously, due to historical technology limitations.

Under the Roche Collaboration Agreement, the Company granted Roche a worldwide, nontransferable, nonexclusive license with the right to sublicense under the Company's technology solely to perform the research activities assigned to Roche during the research term. Roche also granted the Company a worldwide, nontransferable nonexclusive license with the right to sublicense under the Roche technology solely for the Company to perform the research activities during the research term.

Under the terms of the Roche Collaboration Agreement, Roche has options for exclusive worldwide licenses to develop and commercialize certain antibiotic classes that emerge from the collaboration, triggered upon the selection of a drug development candidate from the particular class. The exercise of an option by Roche triggers the Company to grant Roche a nontransferable, exclusive, royalty bearing license with the right to sublicense under the Company technology. This exclusive license will be issued on the antibiotic program basis. The Company retains worldwide rights to all other novel antibiotic classes from the collaboration.

The Company is solely responsible for the conduct of research and development activities for each antibiotic program through selection of a drug development candidate. Roche may or may not exercise options for antibiotic programs at the drug development candidate stage. Roche has no obligations to develop or

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commercialize under the Roche Collaboration Agreement, until such time, if any, that Roche exercises an option for a drug development candidate.

The research term will be in effect for a period of time beginning in October 2017 through the later of October 2022 or 24 months after the Company achieves certain research milestones for the last eligible antibiotic programs. The Company is currently estimating a research term of five years for the Roche Collaboration Agreement, and the Company will revisit the research term estimate on an annual basis.

The activities under the Roche Collaboration Agreement are governed by the joint steering committee. Both Roche and the Company have three members on the joint steering committee. The three joint steering committee representatives of each party will collectively have one vote, and the Joint Steering Committee will make decisions only by unanimous consent. If the Joint Steering Committee is unable to decide, the Company will have the right to make the final determination. The Joint Steering Committee will end six months after the end of the research term.

### ***Termination rights***

The Roche Collaboration Agreement automatically terminates if Roche does not exercise an option on a development candidate generally by October 2022. Roche may voluntarily terminate the Roche Collaboration Agreement in its entirety or on a program by program basis upon 90 days' written notice.

### ***Consideration***

Roche paid the Company a \$23.0 million nonrefundable, up-front fee in October 2017. The Company estimates that the sum of the nonrefundable up-front fee already paid, potential option fees and potential milestone payments for preclinical events could total \$87 million. The Company estimates that the total potential clinical, regulatory and sales milestones on products licensed to Roche could total an additional \$300 million.

As of December 31, 2017, the next potential milestone payment included in the above-mentioned total of \$87 million that the Company could achieve under the Roche Collaboration Agreement is a nonsubstantive milestone payment of \$5.0 million for the achievement of a discovery milestone.

The Company is eligible to receive tiered royalties for antibiotic programs for which Roche exercises its options up to low double digits on future net sales.

### ***Roche Collaboration Agreement Accounting Analysis***

The Company evaluated the Collaboration Agreement in accordance with the provisions of ASC, Topic 605-25, Revenue Recognition—Multiple Element Arrangements. The Roche Collaboration Agreement contains the following deliverables: (i) R&D services for antibiotics; (ii) research license for the Company's platform; and (iii) joint steering committee services.

The Company has concluded that the research license deliverables do not qualify for separation from the R&D services deliverables. As it relates to the assessment of standalone value, the Company has determined that Roche cannot fully exploit the value of the research license deliverable without receipt of the Company's R&D services in the antibiotic programs. This is primarily due to the fact that Roche must rely upon the Company to provide the research and development services included in the research plan because the services incorporate technology that is proprietary to the Company. The services to be provided by the Company involve unique skills and specialized expertise technology that is not available in the marketplace. Accordingly, Roche must obtain the research and development services from the Company which significantly limits the ability for Roche

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to utilize the research license for its intended purpose on a standalone basis. The Company's proprietary genome mining platform and know-how is critical. Therefore, the research license deliverables do not have standalone value from the R&D services.

The following deliverables are combined under one unit of accounting.

- Antibiotic program deliverables (consisting of the Research License and R&D services).
- Joint Steering Committee services.

The aggregate noncontingent consideration allocable to the Roche Collaboration Agreement of \$23 million was allocated to the Antibiotic program deliverables. No amounts were allocated to the joint steering committee deliverable because the associated BESP was determined to be immaterial.

As there is no discernable pattern of performance, the revenue is recognized on a straight-line basis over the research term estimated to last five years.

The Company has evaluated all of the research milestones that may be received in connection with the Roche Collaboration Arrangement. In evaluating if a milestone is substantive, the Company assesses whether: (i) the consideration is commensurate with either the Company's performance to achieve the milestone or the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the Company's performance to achieve the milestone, (ii) the consideration relates solely to past performance, and (iii) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The research milestones are not considered to be substantive. Therefore, when the Company achieves a research milestone, the Company will use the cumulative catch-up approach and spread the remaining milestone to revenue over the remaining research term. The Company has deemed all development milestones as substantive, and will use the milestone method of recognizing development milestones as revenue when achieved. All commercial milestones will be accounted for in the same manner as royalties and recorded as revenue upon achievement of the milestone, assuming all other revenue recognition criteria are met. The Company will recognize royalty revenue in the period of sale of the related product(s), based on the underlying contract terms, provided that the reported sales are reliably measurable, and the Company has no remaining performance obligations, assuming all other revenue recognition criteria are met.

The Company recognized approximately \$1.1 million in collaboration revenue related solely to the up-front fee during the year ended December 31, 2017. The Company recorded deferred revenue of \$4.6 million in current portion of deferred revenue and \$17.3 million in deferred revenue less current portion for total deferred revenue of approximately \$21.9 million as of December 31, 2017.

### **B. Summary of Sanofi Collaboration**

#### **Overall**

On January 8, 2016, the Company and Sanofi entered into a collaboration and license agreement (Sanofi Collaboration Agreement) utilizing the Company's proprietary SMART™ and genome mining platforms to discover novel oncology therapeutics and antibiotics. The Sanofi Collaboration Agreement focused on the development of drugs targeting important human oncogenes and new antibiotics. The Company retained the rights to deploy its platforms to pursue discovery and development against all other targets, both alone and in collaboration with other companies.

Under the terms of the Sanofi Collaboration Agreement, the Company would lead the research collaboration for a period of five years, and Sanofi would receive worldwide exclusive licenses to develop and commercialize product candidates discovered during the research term. The Company and Sanofi initially focused on three

defined oncology programs targeting different mutants and states of the oncogenic protein RAS. For the antibiotic program, the Company led initial discovery efforts, and Sanofi would lead any subsequent discovery and development activities.

The Company granted to Sanofi research licenses (co-exclusive, worldwide, royalty-free licenses). In addition, the Company granted to Sanofi development and commercialization licenses (exclusive, worldwide, royalty-bearing, sub licensable licenses in the prevention and treatment of all human and animal diseases). To the extent a collaboration program was terminated, the rights to both the research and development and commercialization licenses previously granted in relation to such terminated program immediately terminate.

The Company was solely responsible for the conduct of research and development activities for each collaboration program until the applicable transition stage (i.e., the specified point in time at which the research and development efforts are transitioned from the Company to Sanofi) for the respective collaboration program, unless otherwise agreed to by the parties in writing. Sanofi had no obligations to develop or commercialize under any collaboration program, until such time, if any, that the applicable transition has occurred. The Company reached the transition stage for the antibiotic program during the year ended December 31, 2016. The estimated research term for the antibiotic program was one year.

The activities under the Collaboration Agreement were governed by the joint steering committee. Both Sanofi and the Company had three members on the joint steering committee.

The Company had the right to opt-in to co-commercialize an oncology candidate in the United States, no later than 90 days prior to the initiation of a registration clinical study of such oncology candidate. If the Company exercised the co-commercialization option for a particular oncology candidate, the Company and Sanofi would be jointly responsible for and have joint control over the co-commercialization of the oncology candidate in the United States.

Additionally, in 2016, the Company restructured its existing senior credit agreement with Sanofi. Under the restructured agreement, the Company could borrow up to \$30.0 million to fund expenses related to the Sanofi Collaboration Agreement. As the Company previously held a line of credit with the same interest rate, the Company concluded that the modification of the line of credit did not represent consideration exchanged in conjunction with the Sanofi Collaboration Agreement. See Note 5.

#### ***Termination rights***

The Sanofi Collaboration Agreement would automatically terminate if a development candidate was not generated for an oncology collaboration program prior to the expiration of the applicable research term (generally January 2021). Sanofi could voluntarily terminate the Sanofi Collaboration Agreement in its entirety or on a program by program basis upon 90 days' written notice. All rights and license grants in the Sanofi Collaboration Agreement would immediately terminate, unless otherwise specified, after the 90-day notice period.

In July 2017, Sanofi provided 90 days' written notice to terminate the antibiotic portion of the Sanofi Collaboration Agreement, which officially terminated in October 2017. In November 2017, Sanofi provided 90 days' written notice to terminate all oncology programs or the remaining portion of the research activities under the Sanofi Collaboration Agreement, which officially terminated in February 2018.

#### ***Consideration***

During the research term, the Company could request Sanofi to provide R&D services. Subject to Sanofi's available resources and capabilities, Sanofi could agree to provide up to \$5.0 million in annual Sanofi R&D services at no charge to the Company.

The Company was entitled to worldwide royalties provided it did not opt-in to co-commercialize an oncology candidate in the United States.

### ***Sanofi Collaboration Accounting Analysis***

The Company evaluated the Collaboration Agreement in accordance with the provisions of ASC, Topic 605-25, Revenue Recognition—Multiple Element Arrangements. The Company's arrangement with Sanofi originally contained the following deliverables: R&D services for the antibiotic program; R&D services for the three oncology programs; research license for the antibiotic program; research license for the three oncology programs; and joint steering committee services.

The Company concluded that the research licenses (antibiotics and oncology programs) deliverables did not qualify for separation from the R&D Services deliverables. As it related to the assessment of standalone value, the Company determined that Sanofi could not fully exploit the value of the research licenses deliverable without receipt of the Company's R&D services in both the antibiotics and the oncology programs. This was primarily due to the fact that Sanofi must rely upon the Company to provide the research and development services included in the research plan because the services incorporate technology that was proprietary to the Company. The services to be provided by the Company involved unique skills and specialized expertise technology that was not available in the marketplace. Accordingly, Sanofi must obtain the research and development services from the Company which significantly limited the ability for Sanofi to utilize the research licenses for its intended purpose on a standalone basis. The Company's proprietary SMART™ and genome mining platforms and know-how was critical. Therefore, the research licenses deliverables did not have standalone value from the R&D services.

The units of accounting for the Collaboration Agreement included:

- Antibiotic program deliverables (consisting of the Research License, Development and Commercialization License and R&D services).
- Oncology programs deliverables (consisting of the Research License, Development and Commercialization License and R&D services).
- Joint Steering Committee services.

The Company determined that neither vendor-specific objective evidence of selling price nor third party evidence of selling price was available for any of the units of accounting identified at inception of the arrangement with Sanofi. Accordingly, the selling price of each unit of accounting was determined based on the Company's best estimate of selling price or BESP. The Company developed the BESP for all of the units of accounting included in the Collaboration Agreement with the objective of determining the price at which it would sell such an item if it were to be sold regularly on a standalone basis. The Company developed the BESP for the primarily Antibiotic program unit of accounting (consisting of the Research License, Development and Commercialization License and R&D services) and the Oncology programs unit of accounting (consisting of the Research License, Development and Commercialization License and R&D services) based on the nature of the services to be performed and estimates of the associated effort and cost of the services, adjusted for a reasonable profit margin that would be expected to be realized under similar contracts. The Company developed the BESP for each of the Development and Commercialization license units of accounting based on the probability-weighted present value of expected future cash flows associated with each license related to each antibiotics or the oncology collaboration programs. In developing such estimates, the Company also considered applicable market conditions and relevant entity-specific factors, including those factors contemplated in negotiating the agreement, probability of success and the time needed to commercialize a product candidate pursuant to the associated license.

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The aggregate noncontingent consideration allocable to the Collaboration Agreement of \$4.0 million was allocated among the separate units of accounting using the relative selling price method as follows: (i) antibiotic licenses and R&D services – approximately \$0.4 million; (ii) oncology programs licenses and R&D services – approximately \$3.6 million. No amounts were allocated to the joint steering committee deliverable because the associated BESP was determined to be immaterial. The amounts allocated to each of the development and commercialization licenses were based on the respective BESP calculations, which reflected the level of risk and expected probability of success inherent in the nature of the associated research area.

The amount allocated to the oncology programs deliverables unit of account were recognized over the research term as the underlying services were performed. As there was no discernable pattern of performance, the revenue was recognized on a straight-line basis over the development period. The consideration allocated to the antibiotic program deliverables was recognized as received as the Company had completed its performance obligations related to this deliverable during the year ended December 31, 2016, and the development efforts were transitioned to Sanofi.

The Company originally evaluated all of the milestones that could be received in connection with the Collaboration Arrangement. In evaluating if a milestone was substantive, the Company assessed whether: (i) the consideration was commensurate with either the Company's performance to achieve the milestone or the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the Company's performance to achieve the milestone, (ii) the consideration related solely to past performance, and (iii) the consideration was reasonable relative to all of the deliverables and payment terms within the arrangement. Certain development and regulatory milestones were considered substantive on the basis of the contingent nature of the milestone, specifically reviewing factors such as the scientific, clinical, regulatory, commercial and other risks that must be overcome to achieve the milestone as well as the level of effort and investment required. Accordingly, such amounts could have been recognized as revenue in full in the period in which the associated milestone was achieved, assuming all other revenue recognition criteria were met. Certain development milestones were not considered to be substantive. Such amounts were allocated to the units of account based relative fair value of the BESP.

During the year ended December 31, 2016, the Company received a \$1.0 million discovery milestone that was essentially an up-front payment related to an oncology collaboration program and a \$3.0 million discovery milestone related to an oncology collaboration program that was considered nonsubstantive. Finally, during the year ended December 31, 2016, the Company achieved a \$0.8 million milestone related to the antibiotic program. The Company is primarily responsible for the R&D they are performing and as such receive milestones for this work performed and therefore, the Company concluded that milestone payments received are recorded gross. The Company recognized approximately \$1.9 million in collaboration revenue during the year ended December 31, 2016. The Company used the cumulative catch-up approach in recognizing revenue associated with achieved nonsubstantive milestones. The Company recorded deferred revenue of approximately \$2.9 million associated with the Sanofi Collaboration Agreement as of December 31, 2016.

The Company received \$2.1 million and \$2.0 million of Sanofi R&D services for the years ended December 31, 2017 and 2016, respectively. As Sanofi is responsible for the work related to R&D services, the Company concluded that R&D services provided by Sanofi are recorded net.

During the year ended December 31, 2017, the Company achieved five discovery milestones that were considered nonsubstantive and received \$11.0 million in total milestone payments from Sanofi.

As previously disclosed, in November 2017, Sanofi gave 90 days' written notice to terminate all oncology programs in the Sanofi Collaboration Agreement, which officially terminated in February 2018. This resulted in an accounting change in estimate in 2017 with the research term ending in February 2018 (90 days later).

The Company recognized approximately \$13.0 million of revenue related to the Sanofi Collaboration Agreement during the year ended December 31, 2017. The Company's short-term deferred revenue as of December 31, 2017 totaled approximately \$0.9 million from the Sanofi Collaboration Agreement, which will be recognized as revenue through the end of the research term in February 2018, at which time all services under the collaboration ended.

## **5. Convertible notes payable, related party**

On January 8, 2016, the Company restructured the prior senior credit agreement with Sanofi into convertible notes payable. Under the restructured agreement, the Company could borrow up to \$30,000,000 to fund certain expenses.

As previously disclosed, in November 2017, Sanofi provided 90 days' written notice to terminate all oncology programs or the remaining portion of the research activities under the Sanofi Collaboration Agreement, which officially terminated in February 2018. With the termination of the Sanofi Collaboration Agreement, the maturity date of notes payable, related party became February 2020.

The notes payable bore interest at LIBOR plus 8.5%. Subject to certain exceptions, there were no payments due prior to maturity, and interest is paid-in-kind. The notes payable were automatically convertible into shares of common stock upon the completion of an initial public offering and convertible at the option of the investor upon a financing in which the Company sold shares of a new series of preferred stock in which the Company receives proceeds of at least \$30.0 million. The conversion rate upon such conversion was 95% of the initial public offering price or 95% of the financing purchase price. If the Company was acquired, then the acquirer of the Company had to pay \$36.0 million in principal (120 percent of the outstanding debt of \$30.0 million). The Company accounted for the amendment as a modification as the terms of the amendment were not substantially different from the original terms of the term loan.

The Company borrowed \$8,999,731 and \$17,451,965 during the years ended December 31, 2017 and 2016, respectively. The Company recorded noncash interest expense of \$2,934,532 and \$1,062,213 during the years ended December 31, 2017 and 2016, respectively. The effective interest rate was 10.1% and 9.6% for the years ended December 31, 2017 and 2016, respectively.

In June 2018, the Company and Sanofi agreed to amend the terms of existing notes payable. All current and future interest due on the notes payable was cancelled and forgiven in full. In addition, a milestone payment (Sanofi to pay the Company) of \$6 million under the Sanofi Collaboration Agreement was cancelled and forgiven in full. Sanofi has no further payment obligations due to the Company under the Sanofi Collaboration Agreement. The Company will exchange its existing notes payable for new notes payable with amended terms from Sanofi immediately prior to the closing of the Company's first issuance and sale of preferred stock prior to December 31, 2019.

## **6. Grants**

In September 2016, the Company was awarded a grant from the Cystic Fibrosis Foundation for the preclinical development of Neomorph antibiotics for treatment of Cystic Fibrosis related infections. In early 2017, the Company was awarded multiple antibiotic grants from Small Business Innovation Research through the government of the United States. In April 2017, the Company was awarded a grant for a total of \$1.1 million from the Bill and Melinda Gates Foundation for research related to antibiotics for the treatment of tuberculosis and gram-negative infections.

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Revenue recorded under antibiotic grants during the year ended December 31, 2017 consisted of the following:

	<b>2017</b>
Gates Foundation Grant	\$ 649,569
Cystic Fibrosis Foundation Grant	320,000
Small Business Innovation Research Grants	702,312
Total Grant Revenue	\$ 1,671,881

### **7. Balance sheet components**

Prepaid expenses consisted of the following:

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
Prepaid software licenses	\$ 198,339	\$ 206,346
Prepaid rent	172,761	165,205
Prepaid maintenance services	110,314	64,421
Other	46,144	107,830
Total prepaid expenses and other current assets	\$ 527,558	\$ 543,802

Accrued expenses consisted of the following:

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
Accrued compensation and benefits	\$ 1,407,236	\$ 1,009,594
Accrued contract research organization costs	381,757	377,895
Accrued other	370,216	467,073
Total accrued liabilities	\$ 2,159,209	\$ 1,854,562

### **8. Convertible preferred stock and stockholders' deficit**

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders, and restructured the Company as a C Corporation. In conjunction with the recapitalization, certain put and call rights that the Company's two primary investors held were eliminated, and the holders of preferred units received an equivalent number of shares of Series A preferred stock. The holders of common units received an equivalent number of common stock.

In evaluating the above restructuring, the Company considered that the rights and preferences of each class of equity before and after the restructuring and determined that there were no substantive changes in the rights and preferences. The fair value of each stockholders' interest remained unchanged as a result of the above restructuring. The restructuring lacked economic substance and should be accounted for in a manner consistent with a common control transaction. Therefore, the Company concluded that the restructuring represented a modification of equity, and not an extinguishment, and that there was no incremental value given to the holders of the equity requiring recognition.

### **Series A Convertible Preferred Stock**

The Series A Convertible Preferred Stock ("Series A Preferred Stock") has the following characteristics:

#### **Voting**

The Series A Preferred Stock is entitled to vote together with the common stockholders as one class and are entitled to separate votes on certain matters.

#### **Dividends**

The Series A stockholders are entitled to receive an annual, cumulative 8% dividend, when and if declared by the Board of Directors. No dividends have been declared through December 31, 2017.

#### **Liquidation preference**

The Series A stockholders are entitled to a liquidation preference of their original purchase price of \$1.00 per share for Series A Preferred Stock shares, plus accumulated dividends, in the event of liquidation, dissolution, or winding up of the Company. In the event the Company merges with, or is acquired by, another entity, such merger or acquisition could be deemed a dissolution.

#### **Conversion**

The Series A Preferred Stock is convertible upon approval of the holders of at least 66.66% of the outstanding shares of Series A preferred stock, on a share-for-share basis, subject to certain antidilution adjustments. The Series A preferred stock converts automatically on a share-for-share basis into shares of common stock upon the closing of the shares of common stock to the public in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$40,000,000 of gross proceeds to the Company.

#### **Redemption rights**

The Series A Preferred Stock can be redeemed in a merger or consolidation involving the Company or a sale, lease, transfer, exclusive license or other disposition of substantially all the assets of the Company. The preferred stock is otherwise not redeemable.

Prior to the 2016 restructuring to a C Corporation, the holders of the Company's Series A Preferred Units, Common Units and Capital interests had certain voting, dividend rights, as well as liquidation preferences and conversion privileges. All rights, preferences, and privileges associated with these Units were terminated at the time of the Company's restructuring to a C Corporation.

During the year ended December 31, 2017, the Company changed the classification of the Series A Preferred Stock balances from permanent equity to mezzanine equity. The change was applied retrospectively.

#### **Common stock**

Each holder of common stock is entitled to one vote per share of common stock. Subject to the rights of holders of Series A Preferred Stock as described above, holders of common stock are also entitled (i) to receive dividends whenever funds are legally available and when declared by the Board of Directors and (ii) upon a deemed liquidation, to receive ratably and equally with the holders of Series A Preferred Stock all the asset and funds of the Company remaining after the payment to the holders of Series A Preferred Stock of the amounts which they are entitled, as provided above.

## 9. Equity awards

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders, and restructured the Company as a C Corporation. The holders of participation units, the equity award previously given to employees (and to nonemployees on occasion) were also called Capital Interests on the Statements of Convertible Preferred Stock and Stockholders' Deficit. The holders of participation units received an equivalent number of shares of restricted stock on the same vesting schedule.

The Company adopted the 2016 Stock Option and Grant Plan (2016 Plan) during the above described restructuring in January 2016. The maximum number of shares reserved and available for issuance under the 2016 Plan is 20,064,924 shares. As of December 31, 2017, 3,004,141 restricted stock awards were available for future grant under the Plan. The Company has issued restricted stock (as opposed to stock options) to employees since the adoption of the 2016 Plan. Upon grant of the restricted stock award and payment of any applicable purchase price by the employee, a grantee of the restricted stock is considered the record owner and is entitled to vote the restricted stock. Restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided in the 2016 Plan or award agreement. If an employee leaves the Company, the Company has the right and option to repurchase the unvested restricted stock. Restricted stock granted by the Company typically vest over four years and have a contractual life of ten years.

The Company granted 1,107,150 and 3,742,345 shares of restricted stock to employees for the years ended December 31, 2017 and 2016, respectively. For all grants during the years ended December 31, 2017 and 2016, the employees paid the Company for the fair value of the restricted stock awards. As a result, the Company did not recognize any stock-based compensation for restricted stock grants made in 2017 and 2016. However, the Company did recognize stock-based compensation related to grants of participation units and capitalized interests prior to January 1, 2016.

The Company recorded stock-based compensation expense in the following expense categories in its Statements of Operations and Comprehensive Loss:

	2017	2016
Research and development expense	\$ 122,880	\$ 198,309
General and administrative expense	517,598	787,174

For the year ended December 31, 2017, the above amounts included total stock-based expense for nonemployees of approximately \$1,129.

The following table summarizes the Company's restricted stock activity for the year ended December 31, 2017, as well as total common stock at December 31, 2017:

	Number of restricted shares	Weighted-average grant date fair value
Total restricted stock on January 1, 2017	19,931,258	\$ 0.01
Restricted stock granted	1,107,150	0.01
Restricted stock cancelled	<u>(3,278,377)</u>	0.01
Restricted stock at December 31, 2017	17,760,031	\$ 0.01

As of December 31, 2017, there was approximately \$0.6 million of total unrecognized compensation cost related to restricted stock with time-based vesting, which is expected to be recognized over a remaining weighted-average vesting period of approximately 1.1 years. The weighted-average grant date fair value of restricted stock granted was \$0.01 for the year ended December 31, 2017.

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During the years ended December 31, 2017 and December 31, 2016, no shares subject to performance-based milestones vested, and the Company did not record any stock-based compensation related to these performance-based restricted stock as the vesting conditions are not probable of achievement. The Company cancelled all 2,100,000 unvested performance-based restricted shares upon the resignation of a former executive during the year ended December 31, 2017.

### 10. Commitments and contingencies

In May 2017, the Company and the landlord finalized an extension of the Company's primary facilities in Cambridge, Massachusetts through February 2023. The lease extension includes a rent increase of approximately 12% starting in March 2018 and three percent annual rent increases through 2023. In May 2017, the Company and the landlord reduced the security deposit related to the facility lease, which is the restricted cash on the Company's balance sheet, by approximately \$107,000.

In conjunction with the original lease, the landlord provided the Company with a \$3.5 million tenant improvement allowance, of which the entire amount was utilized in 2013 and represented normal tenant improvements. The improvements are recorded as leasehold improvements on the balance sheet. The incentive has been recorded as a lease incentive obligation which is being amortized as a reduction of rent expense over the term of the lease. At December 31, 2017 and 2016, the deferred rent and lease incentive obligations are recorded as deferred rent on the balance sheet.

The Company recorded rent expense of \$859,634 and \$781,273 for the years ended December 31, 2017 and December 31, 2016, respectively.

Minimum rental payments under the operating leases as of December 31, 2017 are as follows:

	<b>Operating leases</b>
2018	\$ 1,582,607
2019	1,651,034
2020	1,700,565
2021	1,751,582
2022	1,804,129
	<u>\$ 8,489,917</u>

The Company has entered into certain license agreements. Pursuant to the terms of those agreements, the Company may be required to pay up to \$2,000,000 upon the achievement of various developments, regulatory and sales milestones. The payment of these amounts, however, is contingent upon the occurrence of various future events. Additionally, the Company has licensed technology from an academic institution for which it is required to pay annual license payments of \$50,000 for as long as the patent is in effect. If any product related to the licenses technology from an academic institution are approved for sale, the Company may be required to pay a minimal royalty on future sales.

The Cystic Fibrosis Foundation grant agreement contains provisions related to potential future amounts payable by the Company to the Cystic Fibrosis Foundation upon product approval and upon the achievement of certain sales milestones. In addition, in the event of a change of control or licensing, sale, or other transfer of the technology, the Company shall pay the Cystic Fibrosis Foundation a payment equal to a percentage of the related transaction price, not to exceed \$1.4 million, which amount shall be reduced by any payments previously made by the Company in connection with a product approval.

## **11. Employee retirement/savings plan**

The Company maintains an employee retirement/savings plan (the Retirement Plan) which permits participants to make tax-deferred contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code. The Company does not provide a matching contribution to the Retirement Plan.

## **12. Related-party transactions**

In conjunction with the issuance of Series A preferred stock and common stock and the conversion of the prior credit agreement into convertible notes payable (Note 5), the Company simultaneously entered into a research collaboration with Sanofi in which it obtained an exclusive license focused on the development of drugs targeting important human oncogenes (Note 4). Under the terms of the Agreement, the Company would lead research collaboration for a period of five years, and Sanofi would potentially receive worldwide exclusive licenses to develop and commercialize the candidates discovered during the research term. The Company has total convertible notes payable from Sanofi of approximately \$34 million and \$22 million as of December 31, 2017 and 2016, respectively. (Note 5)

The Company leases its facilities from an entity that participated in the Series A Unit financing in October 2012. Prior to and after the restructuring of the Company, the investor owned less than one percent of the Series A Preferred Units and Series A Preferred Stock of the Company, respectively. Payments made to the landlord totaled approximately \$2.1 million and \$2.2 million for the years ended December 31, 2017 and December 31, 2016, respectively.

## **13. Income taxes**

### ***2017 U.S. tax reform***

On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was signed into United States law. The TCJA includes a number of changes to existing tax law, including, among other things, a reduction in the federal corporate income tax rate to a flat rate of 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely).

The Company remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future. The provisional amount related to the re-measurement of the Company's deferred tax balance was a reduction of \$5.6 million. Due to the corresponding valuation allowance fully offsetting deferred taxes, there was no impact to the statement of operations and comprehensive loss.

The Company is still in the process of analyzing the impact to the Company of the TCJA and its analysis is not yet complete. Where the Company has been able to make reasonable estimates of the effects related to the TCJA, the Company has recorded provisional amounts. The ultimate impact to the Company's financial statements of the TCJA may differ from the provisional amounts.

### ***Income taxes***

There is no provision for income taxes because the Company has historically incurred and continues to incur operating losses and maintains a full valuation allowance against its net deferred tax assets. The Company has incurred pre-tax losses in the United States only for all periods presented.

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The provision for income tax differs from the amount expected by applying the federal statutory rate to the loss before taxes as follows:

	2017	2016
Federal statutory income tax rate	34.0%	34.0%
State income tax rate, net of federal benefit	6.9	5.3
Research tax credits	4.1	4.7
Write-off of net operating loss and research and development credit carryforwards	(82.1)	—
Change in valuation allowance	67.6	(42.3)
Non-deductible permanent expenses	(1.2)	(1.5)
Remeasurement of deferred tax due to tax law change	(29.3)	—
Other	—	(0.2)
Provision for income taxes	0.0%	0.0%

Significant components of the Company's net deferred tax asset at December 31, 2017 and 2016 are as follows:

	2017	2016
<b>Deferred tax assets</b>		
Net operating loss carryforwards	\$ 12,272,047	\$ 23,870,603
Research and development credits	2,521,478	2,772,715
Other	468,468	725,369
Gross deferred tax assets	15,261,993	27,368,687
Valuation allowance	(15,186,711)	(26,933,978)
Net deferred tax assets	75,282	434,709
<b>Deferred tax liabilities</b>		
Property and equipment	(75,282)	(434,709)
Net deferred tax assets	\$ —	\$ —

As of December 31, 2017, the Company had federal and state net operating loss carryforwards of approximately \$46,038,000 and \$41,203,000, respectively. The net operating loss carryforwards will expire at various times beginning in 2030 through 2037 for federal purposes and beginning in 2021 through 2022 for state purposes.

As of December 31, 2017, the Company also had federal and state research and development tax credit carryforwards of approximately \$1,649,000 and \$1,017,000, respectively, to offset future income taxes. The tax credit carryforwards will expire at various times beginning in 2036 through 2037 for federal purposes and will expire at various times beginning in 2031 through 2032 for state purposes.

Utilization of the net operating loss and tax credit carryforwards may be subject to a substantial annual limitation under Section 382 and 383 of the Internal Revenue Code due to certain ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and tax credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. Any limitation may result in expiration of a portion of the net operating loss carryforwards or tax credit carryforwards before utilization.

The Company completed a study in May 2018 to determine the impact of certain cumulative changes in the ownership interest of significant shareholders as defined under Sections 382 and 383. The study determined that such changes triggered certain limitations on the Company's net operating loss and tax credit carryforwards that would have otherwise been available to offset future taxable income and tax, respectively.

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The 2017 amounts in the table above reflect the related limitations to federal and state net operating loss and tax credit carryforwards. Additional ownership changes could occur in the future that could further limit the federal and state net operating loss and tax credit carryforwards.

Management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are comprised principally of net operating loss carryforwards, capitalized assets, and research and development credits. Under the applicable accounting standards, management has considered the Company's history of losses since inception and concluded that it is more likely than not that the Company will not recognize the benefits of federal and state deferred tax assets. Accordingly, a full valuation allowance of \$15.2 million and \$26.9 million has been established at December 31, 2017 and 2016, respectively.

The Company has not recorded any amounts for unrecognized tax benefits as of December 31, 2017 and 2016. The Company's policy is to record interest and penalties related to income taxes as part of its income tax provision. As of December 31, 2017 and 2016 the Company had no accrued interest or penalties related to uncertain tax positions.

The statute of limitations for assessment by the Internal Revenue Service ("IRS") and state tax authorities is closed for tax years prior to December 31, 2014, although net operating loss and tax credit carryforwards that were generated prior to December 31, 2014 may still be adjusted upon examination by the IRS and state tax authorities if they either have been or will be used in a future period. There are currently no IRS or state tax audits in progress.

### **14. Subsequent events**

The Company has evaluated subsequent events through October 16, 2018, the date the financial statements were available to be issued.

As discussed in Note 5, in June 2018, the Company and Sanofi agreed to amend the terms of the existing notes payable. All current and future interest due on the notes payable was cancelled and forgiven in full. In addition, a milestone payment (Sanofi to pay the Company) of \$6 million due to the Company under the Sanofi Collaboration Agreement was cancelled and forgiven in full. Sanofi has no further payment obligations due to the Company under the Sanofi Collaboration Agreement. The Company will exchange its existing notes payable for new notes payable, with an extended maturity date and certain other amended provisions, from Sanofi immediately prior to the closing of the Company's first issuance and sale of preferred stock prior to December 31, 2019.

On October 3, 2018, the Company received \$2 million in cash proceeds from an existing investor in exchange for a convertible promissory note purchase agreement with a maturity date of April 8, 2019 and an 8% annual interest rate.

On October 15, 2018, the Company and Revolution Medicines, Inc. ("Revolution") signed a merger agreement in which Revolution will acquire all the equity interests of the Company for a purchase price of approximately \$70 million subject to adjustments and holdbacks for certain events. Subject to the achievement of certain closing conditions, including the conversion to preferred stock of all of the outstanding convertible notes payable held by Sanofi, the merger agreement is expected to close on or around October 22, 2018.

## Warp Drive Bio, Inc.

### Condensed balance sheets (unaudited)

	September 30, 2018	December 31, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 589,215	\$ 18,616,527
Prepaid expenses and other current assets	568,283	527,558
Total current assets	1,157,498	19,144,085
Property and equipment, net	2,768,167	4,008,581
Restricted cash	213,821	213,581
Total assets	\$ 4,139,486	\$ 23,366,247
<b>Liabilities, Convertible Preferred Stock and Stockholders' Deficit</b>		
Current liabilities		
Accounts payable	\$ 2,217,276	\$ 1,816,045
Accrued expenses	2,030,374	2,159,209
Current portion capital lease	135,730	114,866
Current portion of deferred revenue	4,600,000	5,482,353
Current portion of deferred rent	—	107,783
Total current liabilities	8,983,380	9,680,256
Convertible notes payable, related party	30,000,000	33,989,320
Capital lease, less current portion	198,565	301,364
Deferred revenue, less current portion	13,800,000	17,250,000
Deferred rent, less current portion	314,400	255,067
Total liabilities	53,296,345	61,476,007
Commitments and contingencies (Note 9)		
Convertible preferred stock		
Series A convertible preferred stock, \$0.001 par value; 75,000,000 shares authorized, issued and outstanding at September 30, 2018 and December 31, 2017; aggregate liquidation preference of \$104,466,444 and \$99,983,111 at September 30, 2018 and December 31, 2017, respectively	74,259,411	74,259,411
Stockholders' deficit		
Common stock, \$0.001 par value; 121,500,000 shares authorized, 19,017,534 and 19,083,561 shares	19,018	19,084
Additional paid-in capital	5,450,595	5,088,905
Accumulated deficit	(128,885,883)	(117,477,160)
Total stockholders' deficit	(123,416,270)	(112,369,171)
Total liabilities, convertible preferred stock and stockholders' deficit	\$ 4,139,486	\$ 23,366,247

The accompanying notes are an integral part of these condensed financial statements.

## Warp Drive Bio, Inc.

### Condensed statements of operations and comprehensive loss (unaudited)

	Nine months ended September 30,	
	2018	2017
Revenue:		
Collaboration revenue, related party	\$ 882,353	\$ 4,402,077
Collaboration revenue	3,450,000	—
Grant revenue	463,931	982,353
Total revenue	4,796,284	5,384,430
Operating expenses		
Research and development	14,936,903	18,145,152
General and administrative	5,335,931	5,539,682
Total operating expenses	20,272,834	23,684,834
Loss from operations	(15,476,550)	(18,300,404)
Gain on restructuring of debt, related party	5,053,805	—
Interest and income	101,527	16,697
Interest expense	(1,087,505)	(2,112,225)
Net loss and comprehensive loss	\$ (11,408,723)	\$ (20,395,932)

The accompanying notes are an integral part of these condensed financial statements.

# Warp Drive Bio, Inc.

## Condensed statements of cash flows (unaudited)

	Nine months ended September 30,	
	2018	2017
<b>Operating activities</b>		
Net loss	\$ (11,408,723)	\$ (20,395,932)
Adjustments to reconcile net loss to net cash used in operating activities:		
Noncash interest expense	1,064,484	2,112,225
Stock-based compensation	362,284	508,649
Gain on restructuring of debt, related party	(5,053,805)	—
Gain on sale of fixed assets	(2,476)	—
Depreciation and amortization	1,442,952	1,869,436
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(40,725)	101,221
Accounts payable	424,867	1,004,348
Accrued expenses	(128,834)	(173,096)
Deferred revenue	(4,332,353)	6,597,923
Deferred rent	(48,450)	(487,600)
Net cash used in operating activities	(17,720,779)	(8,862,826)
<b>Investing activities</b>		
Purchases of property and equipment	(226,174)	(901,509)
Change in restricted cash	(240)	106,707
Proceeds from sale of property and equipment	2,476	—
Net cash used in investing activities	(223,938)	(794,802)
<b>Financing activities</b>		
Proceeds from issuance of restricted stock	3,100	5,775
Repurchase of unvested restricted stock	(3,760)	(4,780)
Proceeds from notes payable, related party	—	8,999,731
Repayments of capital lease	(81,935)	—
Net cash provided by (used in) financing activities	(82,595)	9,000,726
Net increase (decrease) in cash and cash equivalents	(18,027,312)	(656,902)
<b>Cash and cash equivalents</b>		
Beginning of period	18,616,527	2,173,765
End of period	\$ 589,215	\$ 1,516,863
<b>Supplemental disclosure of noncash activities</b>		
Equipment purchases included in accounts payable	\$ —	\$ 15,000

The accompanying notes are an integral part of these condensed financial statements.

# Warp Drive Bio, Inc.

## Notes to the unaudited condensed financial statements

### 1. Organization and basis of presentation

Warp Drive Bio, Inc. (the “Company”) operates on the core principle that nature is the most powerful inventor of new drugs, unconstrained by the boundaries of modern science.

The Company is deploying innovative Small Molecule-Assisted Receptor Targeting (SMART™) and Genomic Mining / antibiotic platforms to discover new medicines that have the potential to make a significant difference in the lives of patients. The Company was launched in 2011 through a partnership with Sanofi and with financing from Third Rock Ventures and Greylock Partners. As described in Note 13, on October 24, 2018, the Company and Revolution Medicines, Inc. (“Revolution”) completed a sale pursuant to an Agreement and Plan of Merger in which Revolution acquired all the Series A convertible preferred stock and the common stock of the Company.

#### *Unaudited interim financial information*

The accompanying unaudited interim financial statements of Warp Drive Bio, Inc. (the “Company”) should be read in conjunction with the Company’s audited financial statements as of and for the year ended December 31, 2017. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. Accordingly, since they are interim statements, the accompanying financial statements do not include all of the information and notes required by GAAP for a complete financial statement presentation. In the opinion of management, the interim financial statements reflect all adjustments consisting of normal, recurring adjustments that are necessary for a fair statement of the financial position, results of operations and cash flows for the condensed interim periods presented. Interim results are not necessarily indicative of results for a full year.

#### *Liquidity*

The Company’s financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. The Company has primarily funded its operations with proceeds from the sales of preferred stock, convertible notes and payments received from collaboration arrangements.

The Company has incurred losses since its inception, including net losses of approximately \$11.4 million and \$18.2 million for the nine months ended September 30, 2018 and year ended December 31, 2017, respectively. As of September 30, 2018, the Company had an accumulated deficit of approximately \$128.9 million. The Company expects that its operating losses and negative cash flows will continue for the foreseeable future. On October 3, 2018, the Company received \$2 million in cash proceeds from an existing investor in exchange for a convertible promissory note purchase agreement with a maturity date of April 8, 2019 and an 8% annual interest rate. (See Note 13).

The future viability of the Company is dependent on its ability to draw down additional capital from its parent company to finance its operations. There is no assurance that the Company will be successful in obtaining such financing from its parent. If adequate funds are not available to the Company, the Company may be required to delay, reduce or eliminate research and development programs, reduce operational costs, or obtain funds through arrangements with collaborators on terms unfavorable to the Company. The circumstances described above raise substantial doubt about the Company’s ability to continue as a going concern as of the date the financial statements are issued. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## 2. Significant accounting policies

### *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Significant accounting policies*

The Company's significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies," in the Company's audited financial statements for the year ended December 31, 2017.

### *Newly adopted accounting pronouncements*

In March 2016, the FASB issued ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting, or ASU No. 2016-09, which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification of cash flows. In 2018, the Company adopted ASU 2016-09 and elected to account prospectively for forfeitures as they occur rather than apply an estimated forfeiture rate to stock-based compensation expense. The adoption of ASU 2016-09 had no impact on the Company's financial position, results of operations or cash flows.

### *Newly issued accounting pronouncements*

In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU No. 2014-9, Revenue from Contracts with Customers, which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the Company expects to receive for those goods or services. The update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for private companies for annual reporting periods beginning after December 15, 2018 and should be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. ASU 2016-02 is effective for private companies for annual reporting periods beginning after December 15, 2019. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

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In November 2016, FASB issued ASU No. 2016-18, Statement of Cash Flows, Restricted Cash, or ASU No. 2016-18, which provides guidance on the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. Under ASU No. 2016-18, the statement of cash flows shall explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and cash equivalents should now be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statements of cash flows. This ASU is effective for private companies for reporting periods beginning after December 15, 2018, with early adoption permitted. Other than the revised statement of cash flows presentation, the adoption of ASU No. 2016-18 will not have an impact on the Company's financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 removes the disclosure requirement for the amount and reasons for transfers between Level 1 and Level 2 fair value measurements as well as the process for Level 3 fair value measurements. In addition, the ASU adds the disclosure requirements for changes in unrealized gains and losses included in Other comprehensive income (loss) for recurring Level 3 fair value measurements held at the end of the reporting period as well as the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years and will be applied on a retrospective basis to all periods presented. Early adoption is permitted. The Company is currently evaluating the impact this standard will have on its financial statements and related disclosures.

In November 2018, the FASB issued ASU 2018-18, Collaboration Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606 to clarify the interaction between the accounting guidance for collaborative arrangements and revenue from contracts with customers. The amendments become effective for the Company's fiscal year, including interim periods, beginning January 1, 2021. Early adoption, including adoption in any interim period, is permitted. This guidance is required to be applied retrospectively as of the date of the Company's adoption of the new revenue standard on January 1, 2019. The Company is currently evaluating the timing of the Company's adoption and the expected impact this guidance could have on its financial statements and related disclosures.

### 3. Property and equipment

Property and equipment consist of the following:

	Useful life	September 30, 2018	December 31, 2017
Lab equipment	5 years	\$ 9,131,787	\$ 8,971,721
Computer equipment and software	3 years	762,334	738,132
Office furniture	5 years	129,460	129,460
Leasehold improvements	Lesser of useful life or lease term	4,827,801	4,827,801
Total property and equipment, at cost		14,851,382	14,667,114
Accumulated depreciation and amortization		(12,083,215)	(10,658,533)
Property and equipment, net		\$ 2,768,167	\$ 4,008,581

## 4. Collaborations

### ***Roche collaboration***

In October 2017, the Company and F. Hoffman-La Roche Limited and Hoffman-La Roche Inc. ("Roche") entered into a collaboration agreement ("Roche Collaboration Agreement") utilizing the Company's proprietary genome mining platform to discover and develop multiple novel classes of antibiotics.

Under the Roche Collaboration Agreement, the Company is focused on antibiotics with activity against clinically important, drug-resistant, Gram-negative pathogens. The Company's platform enables access to natural product drugs that have not been analyzed previously, due to historical technology limitations.

The Company is solely responsible for the conduct of research and development activities for each antibiotic program through selection of a drug development candidate. Roche may or may not exercise options for antibiotic programs at the drug development candidate stage. Roche has no obligations to develop or commercialize under the Roche Collaboration Agreement, until such time, if any, that Roche exercises an option for a drug development candidate.

Roche paid the Company a \$23 million nonrefundable, up-front fee in October 2017.

The Company estimates that the sum of the nonrefundable up-front fee already paid, potential option fees and potential milestone payments for preclinical events could total \$87 million.

The Company estimates that the total potential clinical, regulatory and sales milestones on products licensed to Roche could total an additional \$300 million.

The research term will be in effect for a period of time beginning in October 2017 through the later of October 2022 or 24 months after the Company achieves certain research milestones for the last eligible antibiotic programs. The Company is currently estimating a research term of five years for the Roche Collaboration Agreement.

The Roche Collaboration Agreement automatically terminates if Roche does not exercise an option on a development candidate by October 2022. Roche may voluntarily terminate the Roche Collaboration Agreement in its entirety or on a program by program basis upon 90 days' written notice.

The Company is eligible to receive tiered royalties for antibiotic programs for which Roche exercises its options up to low double digits on future net sales.

As there is no discernable patten of performance, the revenue is recognized on a straight-line basis over the research term, assumed to last five years.

The Company recognized approximately \$3.5 million in collaboration revenue related solely to the up-front fee during the nine months ended September 30, 2018. The Company recorded total deferred revenue of approximately \$18.4 million (\$4.6 million in current portion of deferred revenue and \$13.8 million in deferred revenue less current portion) as of September 30, 2018.

### ***Sanofi collaboration***

In January 2016, the Company and Sanofi entered into a collaboration and license agreement (Sanofi Collaboration Agreement) utilizing the Company's proprietary SMART™ and genome mining platforms to discover novel oncology therapeutics and antibiotics. The Sanofi Collaboration Agreement focused on the development of drugs targeting important human oncogenes and new antibiotics. The Company was solely responsible for the conduct of research and development activities for each collaboration program until the

applicable transition stage (i.e., the specified point in time at which the research and development efforts are transitioned from the Company to Sanofi) for the respective collaboration program, unless otherwise agreed to by the parties in writing. Sanofi had no obligations to develop or commercialize under any collaboration program, until such time, if any, that the applicable transition has occurred.

Under the terms of the Sanofi Collaboration Agreement, the Company would lead the research collaboration for a period of five years, and Sanofi would receive worldwide exclusive licenses to develop and commercialize product candidates discovered during the research term.

The Company and Sanofi initially focused on three defined oncology programs targeting different mutants and states of the oncogenic protein Ras. For the antibiotic program, the Company led initial discovery efforts, and Sanofi would lead any subsequent discovery and development activities. The Company reached the transition stage for the antibiotic program during the year ended December 31, 2016. The estimated research term for the antibiotic program was one year.

In July 2017, Sanofi provided 90 days' written notice to terminate the antibiotic portion of the Sanofi Collaboration Agreement, which officially terminated in October 2017. In November 2017, Sanofi provided 90 days' written notice to terminate all oncology programs or the remaining portion of the research activities under the Sanofi Collaboration Agreement, which officially terminated in February 2018.

From the start of the Sanofi Collaboration Agreement through December 31, 2017, the Company received \$15.8 million in milestone payments from Sanofi. In June 2018, a milestone payment of \$6.0 million, which was achieved in December 2017, was cancelled and forgiven in full per the terms of the convertible notes payable amendment (see Note 5). This milestone payment was not previously recorded for accounting purposes due to collectability not being reasonably assured.

The Company did not receive any milestone payments from Sanofi during the nine months ended September 30, 2018.

The Company recognized approximately \$0.9 million of revenue related to the Sanofi Collaboration Agreement during the nine months ended September 30, 2018. The Company had zero deferred revenue as of September 30, 2018 related to the Sanofi Collaboration Agreement and no additional revenue will be recognized as the Company has fulfilled its obligations to Sanofi up through the termination date which occurred in February 2018.

## **5. Convertible notes payable, related party**

Under the January 2016 convertible notes payable agreement with Sanofi, the Company could borrow up to \$30.0 million to fund certain expenses. The notes payable bore interest at LIBOR plus 8.5%. Subject to certain exceptions, there were no payments due prior to maturity, and interest is paid-in-kind. The notes payable were automatically convertible into shares of common stock upon the completion of an initial public offering and convertible at the option of the investor upon a financing in which the Company sold shares of a new series of preferred stock in which the Company receives proceeds of at least \$30.0 million. The conversion rate upon such conversion was 95% of the initial public offering price or 95% of the financing purchase price. If the Company was acquired, the debt would be settled at 120% of the outstanding principal balance or \$36.0 million. On October 17, 2018, in conjunction with the acquisition of the Company by Revolution ("Parties"), the Parties agreed to convert the debt to 18 million shares of Series A Preferred stock or 5.4 million Revolution shares, which had a fair value of \$2.06 per share.

In November 2017, Sanofi provided 90 days' written notice to terminate all oncology programs or the remaining portion of the research activities under the Sanofi Collaboration Agreement, which officially terminated in

February 2018. With the termination of the Sanofi Collaboration Agreement, the maturity date of the convertible notes payable, related party became February 2020.

In June 2018, the Company and Sanofi ("Parties") agreed to amend the terms of the existing convertible notes payable. Per the terms of the amended agreement, all current and future interest due on the convertible notes payable was cancelled and forgiven in full. Additionally, the Parties agreed to exchange the existing convertible notes payable with new notes payable with an extended maturity date and certain other amended provisions immediately prior to a future closing of the Company's first issuance and sale of preferred stock prior to December 31, 2019. As no preferred stock financing occurred prior to the merger between Revolution and the Company (see Note 13), no exchange of notes payable occurred.

The Company recognized a gain on the restructuring of debt, related party due to the cancellation of current and future interest due on the convertible notes payable of \$5.1 million in the nine months ended September 30, 2018. The restructuring of debt was considered a troubled debt restructuring because of the doubt surrounding the Company's ability to continue as a going concern and Sanofi was granting the Company a concession, namely cancelling all current and future interest due on the convertible notes payable.

## 6. Fair value measurements

Financial Accounting Standards Board Accounting Standards Codification (ASC) 825, Financial Instruments, requires disclosure of the fair value of financial instruments. For financial instruments including cash equivalents, accounts payable and accrued expenses, the carrying amount approximates fair value due to their short-term nature.

ASC 820, Fair Value Measurements and Disclosures (ASC 820), defines fair value and establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. ASC 820 codifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability, and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Fair value measurements are classified and disclosed in one of the following three categories:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities.

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The Company measures the following financial assets at fair value on a recurring basis. The fair value of these assets was determined as follows at September 30, 2018 and December 31, 2017:

	Balance at September 30, 2018	Active markets for identical assets (Level 1)	Other observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets:				
Money market funds	\$ 414,268	\$ 414,268	\$ —	\$ —
Cash equivalents	\$ 414,268	\$ 414,268	\$ —	\$ —

	Balance at December 31, 2017	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Money market funds	\$ 18,411,704	\$ 18,411,704	\$ —	\$ —
Cash equivalents	\$ 18,411,704	\$ 18,411,704	\$ —	\$ —

## 7. Prepaid expenses and other current assets

Prepaid expenses and other current assets consist of the following:

	September 30, 2018	December 31, 2017
Prepaid software licenses	\$ 196,113	\$ 198,339
Prepaid rent	187,261	172,761
Prepaid maintenance services	160,873	110,314
Other	24,036	46,144
Total prepaid expenses and other current assets	568,283	527,558

## 8. Convertible preferred stock and stockholders' deficit

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders, and restructured the Company as a C Corporation. In conjunction with the recapitalization, certain put and call rights that the Company's two primary investors held were eliminated, and the holders of preferred units received an equivalent number of shares of Series A preferred stock. The holders of common units received an equivalent number of common stock.

### *Series A convertible preferred stock*

The Series A Convertible Preferred Stock ("Series A Preferred Stock") has the following characteristics:

#### **Voting**

The Series A Preferred Stock is entitled to vote together with the common stockholders as one class and are entitled to separate votes on certain matters.

***Dividends***

The Series A stockholders are entitled to receive an annual, cumulative 8% dividend, when and if declared by the Board of Directors. No dividends have been declared through September 30, 2018.

***Liquidation preference***

The Series A stockholders are entitled to a liquidation preference of their original purchase price of \$1.00 per share for Series A Preferred Stock shares, plus accumulated dividends, in the event of liquidation, dissolution, or winding up of the Company. In the event the Company merges with, or is acquired by, another entity, such merger or acquisition could be deemed a dissolution.

***Conversion***

The Series A Preferred Stock is convertible upon approval of the holders of at least 66.66% of the outstanding shares of Series A preferred stock, on a share-for-share basis, subject to certain antidilution adjustments. The Series A preferred stock converts automatically on a share-for-share basis into shares of common stock up on the closing of a qualified initial public offering (IPO), as defined.

***Redemption rights***

The Series A Preferred Stock can be redeemed upon a deemed liquidation, as defined by the articles of incorporation. The preferred stock is otherwise not redeemable.

***Common stock***

Each holder of common stock is entitled to one vote per share of common stock. Subject to the rights of holders of Series A Preferred Stock as described above, holders of common stock are also entitled (i) to receive dividends whenever funds are legally available and when declared by the Board of Directors and (ii) upon a deemed liquidation, to receive ratably and equally with the holders of Series A Preferred Stock all the asset and funds of the Company remaining after the payment to the holders of Series A Preferred Stock of the amounts which they are entitled, as provided above.

**9. Commitments and contingencies**

In May 2017, the Company and the landlord finalized an extension of the Company's facility lease in Cambridge, Massachusetts through February 2023. The lease extension includes a rent increase of approximately 12% starting in March 2018 and three percent annual rent increases through 2023.

***Operating lease***

The Company recorded rent expense of \$1.1 million and \$0.6 million for the nine months ended September 30, 2018 and September 30, 2017, respectively.

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As of September 30, 2018, the Company had the following contractual obligations related to its facility lease:

	<b>Operating leases</b>
2018 (remainder)	\$ 402,691
2019	1,659,087
2020	1,700,565
2021	1,751,582
2022	1,804,129
	302,155
	<u>\$ 7,620,209</u>

### **Capital lease obligations**

The Company's capital lease obligations amounted to \$0.3 million and \$0.4 million as of September 30, 2018 and December 30, 2017, respectively.

### **Licenses**

The Company has entered into certain license agreements. Pursuant to the terms of those agreements, the Company may be required to pay up to \$2.0 million upon the achievement of various developments, regulatory and sales milestones. The payment of these amounts, however, is contingent upon the occurrence of various future events. Additionally, the Company has licensed technology from an academic institution for which it is required to pay annual license payments of \$50,000 for as long as the patent is in effect. If any product related to the licenses technology from an academic institution are approved for sale, the Company may be required to pay a minimal royalty on future sales.

The Cystic Fibrosis Foundation antibiotic grant agreement contains provisions related to potential future amounts payable by the Company to the Cystic Fibrosis Foundation upon product approval and achievement of certain sales milestones. In addition, in the event of a change in control or licensing, sale, or other transfer of the technology, the Company shall pay the Cystic Fibrosis Foundation a payment equal to a percentage of the related transaction price, not to exceed \$1.4 million, which amount shall be reduced by any payments previously made by the Company in connection with a product approval. In conjunction with the acquisition of the Company by Revolution in October 2018, \$1.4 million became due. See Note 13 for more details.

## **10. Income taxes**

### **2017 U.S. tax reform**

On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was signed into United States law. The TCJA includes a number of changes to existing tax law, including, among other things, a permanent reduction in the federal corporate income tax rate from 34% to 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely). The tax rate change resulted in (i) a reduction in the gross amount of the Company's deferred tax assets recorded as of December 31, 2017, without an impact on the net amount of its deferred tax assets, which are recorded with a full valuation allowance, and (ii) no income tax expense or benefit being recognized as of the enactment date of the TCJA.

In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("SAB 118") which allows the Company to record provisional amounts during a

measurement period not to extend beyond one year of the enactment date. During the three and nine months ended September 30, 2018, the Company did not make any adjustments to the provisional amounts recorded as a result of the TCJA. The Company's accounting for the elements of U.S. Tax Reform is complete.

### ***Income taxes***

During the nine months ended September 30, 2018 and 2017, the Company recorded no income tax benefits for the net operating losses incurred or for the research and development tax credits generated in each period due to its uncertainty of realizing a benefit from those items. The Company has provided a valuation allowance for the full amounts of its net deferred tax assets because, at September 30, 2018 and December 31, 2017, it was more likely than not that any future benefit from deductible temporary differences and net operating loss and tax credit carryforwards would not be realized.

As of September 30, 2018 and December 31, 2017, the Company had not recorded any amounts for unrecognized tax benefits. The statute of limitations for assessment by the Internal Revenue Service ("IRS") and state tax authorities is closed for tax years prior to December 31, 2014, although net operating loss and tax credit carryforwards that were generated prior to December 31, 2014 may still be adjusted upon examination by the IRS and state tax authorities if they either have been or will be used in a future period. There are currently no IRS or state tax audits in progress.

## **11. Related party transactions**

In conjunction with the issuance of Series A preferred stock and common stock and the conversion of the prior credit agreement into convertible notes payable (Note 5), the Company simultaneously entered into a research collaboration with Sanofi in 2016 in which it obtained an exclusive license focused on the development of drugs targeting important human oncogenes (Note 4). Under the terms of the Agreement, the Company would lead research collaboration for a period of five years, and Sanofi would potentially receive worldwide exclusive licenses to develop and commercialize the candidates discovered during the research term. The Company has total convertible notes payable from Sanofi of approximately \$30 million and \$34 million as of September 30, 2018 and December 31, 2017, respectively. (See Notes 5 and 13)

The Company leases its facilities from an entity that participated in the Series A Unit financing in October 2012. Prior to and after the restructuring of the Company, the investor owned less than one percent of the Series A Preferred Units and Series A Preferred Stock of the Company, respectively. Payments made to the landlord totaled approximately \$1.2 million and \$1.1 million for the nine months ended September 30, 2018 and 2017, respectively.

## 12. Stock-based compensation

In January 2016, the Company amended the Limited Liability Company Agreement with its preferred shareholders and restructured the Company as a C Corporation. The holders of participation units, the equity award previously given to employees (and to nonemployees on occasion) received an equivalent number of shares of restricted stock on the same vesting schedule. Restricted stock granted by the Company typically vest over four years and have a contractual life of ten years. The following table provides stock-based compensation by the financial statement line item in which it is reflected:

	Nine months ended September 30,	
	2018	2017
Research and development expense	\$ 55,382	\$ 96,759
General and administrative expense	306,902	411,890
	<u>\$ 362,284</u>	<u>\$ 508,649</u>

The Company granted 310,000 and 577,500 shares of restricted stock to employees during the nine months ended September 30, 2018 and 2017, respectively. For all the grants during the nine months ended September 30, 2018 and 2017, the employees paid the Company the fair value of the restricted awards. As a result, the Company did not recognize any stock-based compensation for the restricted stock grants made during the nine months ended September 30, 2018 and 2017. However, the Company did recognize stock-based compensation related to grants of participation units prior to January 1, 2016.

The Company has utilized significant estimates and assumptions in determining the fair value of its common stock and common units. The Board of Directors determined the estimated fair value of the Company's common stock based on a number of objective and subjective factors, including the lack of an active public market for the Company's common and convertible preferred stock; the prices of shares of the Company's convertible preferred stock that the Company had sold to outside investors in arm's length transactions, and the rights, preferences, and privileges of that convertible preferred stock relative to the Company's common stock; the Company's results of operations and financial condition; the Company's entry into collaboration agreements; the material risks related to the Company's business; the Company's business strategy; the market performance of publicly traded companies in the life sciences and biotechnology sectors; and the likelihood of achieving a liquidity event for the holders of the Company's common stock, such as an initial public offering (IPO), given prevailing market conditions. Significant changes to the key assumptions used in the valuations could have resulted in different fair values of the Company's common stock at each valuation date.

## 13. Subsequent events

The Company has evaluated subsequent events through September 19, 2019, the date the financial statements were available to be issued.

On October 3, 2018, the Company received \$2 million in cash proceeds from an existing investor in exchange for a convertible promissory note purchase agreement with a maturity date of April 8, 2019 and an 8% annual interest rate.

On October 17, 2018, the Company and Sanofi entered into a Note Conversion Agreement to convert the \$30 million convertible notes payable to 18 million shares of Series A convertible preferred stock of the Company just before the sale pursuant to an Agreement and Plan of Merger with Revolution on October 24, 2018.

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On October 24, 2018, the Company and Revolution closed the sale pursuant to an Agreement and Plan of Merger in which Revolution acquired all the Series A convertible preferred stock and the common stock of the Company in exchange for Revolution Series B preferred stock for total consideration valued \$69.0 million, subject to adjustments and holdbacks for certain events.

As a result of the merger agreement, the Cystic Fibrosis Foundation received approximately \$1.4M of Revolution Series B preferred stock in accordance with the contractual terms of the Company's grant agreement with the Cystic Fibrosis Foundation (See Note 9).

*shares*



*Common stock*

**J.P. Morgan**

**Cowen**

**SVB Leerink**

**Guggenheim Securities**

Prospectus dated , 2019

## PART II

### Information not required in prospectus

#### *Item 13. Other expenses of issuance and distribution.*

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by the registrant in connection with the sale of common stock being registered. All amounts are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the FINRA filing fee and the Nasdaq Global Market listing fee.

Item	Amount paid or to be paid
SEC registration fee	\$ *
FINRA filing fee	*
Nasdaq Global Market Listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky, qualification fees and expenses	*
Transfer Agent fees and expenses	*
Miscellaneous expenses	*
Total	\$

\* To be completed by amendment.

#### *Item 14. Indemnification of directors and officers.*

As permitted by Section 102 of the Delaware General Corporation Law, we have adopted provisions in our amended and restated certificate of incorporation and bylaws that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our amended and restated certificate of incorporation also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws provide that:

- we shall indemnify our directors and officers, and may indemnify our employees and agents to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;

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- we shall advance expenses to our directors and officers and may advance expenses to our employees and agents in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and
- the rights provided in our amended and restated bylaws are not exclusive.

Our amended and restated certificate of incorporation, to be attached as Exhibit 3.3 hereto, and our amended and restated bylaws, to be attached as Exhibit 3.5 hereto, provide for the indemnification provisions described above and elsewhere herein. We have entered into separate indemnification agreements with our directors and officers which may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements generally require us, among other things, to indemnify our officers and directors against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified. In addition, we have purchased a policy of directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended, or the Securities Act.

The form of Underwriting Agreement, to be attached as Exhibit 1.1 hereto, provides for indemnification by the underwriters of us and our officers who sign this Registration Statement and directors for specified liabilities, including matters arising under the Securities Act.

### ***Item 15. Recent sales of unregistered securities.***

The following list sets forth information as to all securities we have sold since January 1, 2016, which were not registered under the Securities Act.

1. In February, July, October and December 2016 and April and May 2017, we issued an aggregate of 50,194,267 shares of Series A preferred stock to five accredited investors at a price per share of \$1.00, for a total amount raised of \$50.2 million.
2. In March and June 2018, we issued an aggregate of 37,620,613 shares of Series B preferred stock to 17 accredited investors at a price per share of \$1.50, for a total amount raised of \$56.4 million.
3. In October 2018, we issued an aggregate of 33,079,554 shares of Series B preferred stock to 91 accredited investors pursuant to our acquisition of Warp Drive Bio, Inc.
4. In October 2018, we issued an aggregate of 975,620 shares of Series B preferred stock to one accredited investors at a price per share of \$2.06 pursuant to the conversion of a promissory note.
5. In November 2018, we issued an aggregate of 2,119,418 shares of Series B preferred stock to eight accredited investors at a price per share of \$2.06, for a total amount raised of \$4.4 million.
6. In June and July 2019, we issued an aggregate of 48,683,038 shares of Series C preferred stock to 34 accredited investors at a price per share of \$2.06, for a total amount raised of \$100.3 million.
7. We granted stock options and stock awards to employees, directors and consultants covering an aggregate of 31,133,516 shares of common stock, at a weighted-average exercise price of \$0.55 per share. Of these, options covering an aggregate of 2,076,559 shares were cancelled without being exercised.

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8. We sold an aggregate of 8,289,780 shares of common stock to employees, directors and consultants for cash consideration in the aggregate amount of \$1.1 million pursuant to stock options and restricted stock awards.

We claimed exemption from registration under the Securities Act for the sale and issuance of securities in the transactions described in paragraphs (1) through (5) by virtue of Section 4(a)(2) and/or Regulation D promulgated thereunder as transactions not involving any public offering. All of the purchasers of unregistered securities for which we relied on Section 4(a)(2) and/or Regulation D represented that they were accredited investors as defined under the Securities Act. We claimed such exemption on the basis that (a) the purchasers in each case represented that they intended to acquire the securities for investment only and not with a view to the distribution thereof and that they either received adequate information about the registrant or had access, through employment or other relationships, to such information and (b) appropriate legends were affixed to the stock certificates issued in such transactions.

We claimed exemption from registration under the Securities Act for the sales and issuances of securities in the transactions described in paragraphs (6) and (7) above under Section 4(a)(2) of the Securities Act in that such sales and issuances did not involve a public offering or under Rule 701 promulgated under the Securities Act, in that they were offered and sold either pursuant to written compensatory plans or pursuant to a written contract relating to compensation, as provided by Rule 701.

### **Item 16. Exhibits and financial statement schedules.**

#### **(a) Exhibits.**

Exhibit number	Exhibit description	Incorporated by reference			Filed herewith
		Form	Date	Number	
1.1*	Form of Underwriting Agreement.				
2.1	Agreement and Plan of Merger, dated as of October 15, 2018, by and among Revolution Medicines, Inc., Trotsky Merger Sub, Inc., Warp Drive Bio, Inc., and Fortis Advisors LLC.				X
3.1	Amended and Restated Certificate of Incorporation, as amended, currently in effect.				X
3.2*	Amended and Restated Certificate of Incorporation, effecting a stock split.				
3.3*	Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the consummation of this offering.				
3.4	Bylaws, currently in effect.				X
3.5*	Form of Amended and Restated Bylaws, to be in effect immediately prior to the consummation of this offering.				
4.1*	Reference is made to Exhibits 3.1 through 3.5.				
4.2*	Form of Common Stock Certificate.				
5.1*	Opinion of Latham & Watkins LLP.				
10.1†	Collaborative Research, Development and Commercialization Agreement, dated as of June 8, 2018, by and between Revolution Medicines, Inc. and Aventis, Inc., as amended.	DRS	9/19/19	10.1	

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Exhibit number	Exhibit description	Incorporated by reference			Filed herewith
		Form	Date	Number	
10.2	Amended and Restated Investors' Rights Agreement, dated as of June 5, 2019, by and among Revolution Medicines, Inc. and the investors listed therein.				X
10.3A	Lease between HCP LS Redwood City, LLC and Revolution Medicines, Inc., dated as of January 15, 2015.				X
10.3B	First Amendment to Lease by and between HCP LS Redwood City, LLC and Revolution Medicines, Inc., dated as of September 16, 2016.				X
10.3C	Sublease between OncoMed Pharmaceuticals, Inc. and Revolution Medicines, Inc., dated as of January 16, 2019.				X
10.4A	Lease Agreement between Are-Tech Square, LLC and Warp Drive Bio, LLC, dated as of August 22, 2012.				X
10.4B	First Amendment to Lease by and between Are-Tech Square, LLC and Warp Drive Bio, Inc., dated as of May 18, 2017.				X
10.5A	Assignment and Assumption of Lease by and between Warp Drive Bio, LLC and Revolution Medicines, Inc., dated as of January 30, 2019.				X
10.5B	Sublease Agreement between Revolution Medicines, Inc., as successor to Warp Drive Bio, LLC, and Casma Therapeutics, Inc., dated as of February 4, 2019.				X
10.6(a)#	2014 Equity Incentive Plan, as amended.				X
10.6(b)#	Form of Amended and Restated Early Exercise Stock Option Grant Notice and Amended and Restated Stock Option Agreement under 2014 Equity Incentive Plan, as amended.				X
10.7(a)#*	20 Incentive Award Plan.				
10.7(b)#*	Form of Stock Option Grant Notice and Stock Option Agreement under the 20 Incentive Award Plan.				
10.7(c)#*	Form of Restricted Stock Award Agreement under the 20 Incentive Award Plan.				
10.7(d)#*	Form of Restricted Stock Unit Award Grant Notice under the 20 Incentive Award Plan.				
10.8#*	20 Employee Stock Purchase Plan.				
10.9#*	Offer Letter by and between Revolution Medicines, Inc. and Mark A. Goldsmith, M.D., Ph.D.				
10.10#*	Offer Letter by and between Revolution Medicines, Inc. and Steve Kelsey, M.D., FRCP, FRCPATH.				
10.11#*	Offer Letter by and between Revolution Medicines, Inc. and Margaret Horn, J.D.				

Exhibit number	Exhibit description	Incorporated by reference			Filed herewith
		Form	Date	Number	
10.12#*	Non-Employee Director Compensation Program.				
10.13*	Form of Indemnification Agreement for directors and officers.				
21.1*	Subsidiaries of Registrant.				
23.1*	Consent of Independent Registered Public Accounting Firm.				
23.2*	Consent of Independent Auditors.				
23.3*	Consent of Independent Auditors.				
23.4*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).				
24.1*	Power of Attorney. Reference is made to the signature page to the Registration Statement.				

\* To be filed by amendment.

† Portions of the exhibit, marked by brackets, have been omitted because the omitted information (i) is not material and (ii) would likely cause competitive harm if publicly disclosed.

# Indicates management contract or compensatory plan.

**(b) Financial Statement Schedules.** Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

### **Item 17. Undertakings.**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.
2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

## Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Redwood City, California on \_\_\_\_\_, 2019.

**Revolution Medicines, Inc.**

By: \_\_\_\_\_  
Mark A. Goldsmith, M.D., Ph.D.  
*President and Chief Executive Officer*

## Power of attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Mark A. Goldsmith, M.D., Ph.D., Margaret A. Horn and Jack Anders, and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
_____ Mark A. Goldsmith, M.D., Ph.D.	President, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	, 2019
_____ Jack Anders	Vice President, Finance and Principal Accounting Officer <i>(Principal Financial and Accounting Officer)</i>	, 2019
_____ Elizabeth McKee Anderson	Director	, 2019
_____ Alexis Borisy	Director	, 2019
_____ Neil Exter	Director	, 2019

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<b>Signature</b>	<b>Title</b>	<b>Date</b>
_____ Larry Lasky, Ph.D.	Director	, 2019
_____ Vincent A. Miller, M.D.	Director	, 2019
_____ Thilo Schroeder, Ph.D.	Director	, 2019
_____ Barbara Weber, M.D.	Director	, 2019

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

*EXECUTION COPY*

**AGREEMENT AND PLAN OF MERGER**

by and among

**REVOLUTION MEDICINES, INC.,**

**TROTSKY MERGER SUB, INC.,**

**WARP DRIVE BIO, INC.**

and

**FORTIS ADVISORS LLC**  
**as the Stockholders' Representative**

Dated as of October 15, 2018

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**Exhibits**

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Exhibit B	Certificate of Merger
Exhibit C	Bylaws of the Surviving Corporation
Exhibit D	Letter of Transmittal
Exhibit E	Accredited Investor Certification
Exhibit F	Investor Representation Letter
Exhibit G	Parent Restated Certificate

**Schedules**

Company Disclosure Schedule
Parent Disclosure Schedule

## AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of October 15, 2018, is by and among Revolution Medicines, Inc., a Delaware corporation ("Parent"), Trotsky Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), Warp Drive Bio, Inc., a Delaware corporation (the "Company"), and Fortis Advisors LLC, a Delaware limited liability company, in its capacity as the Stockholders' Representative ("Stockholders' Representative").

### RECITALS

WHEREAS, each of Parent, Merger Sub and the Company desire to effect the acquisition of the Company by Parent through the merger of Merger Sub with and into the Company (the "Merger");

WHEREAS, the parties intend that immediately following the Merger, the Company shall be the Surviving Corporation of the Merger, all pursuant to the terms and subject to the conditions hereinafter set forth and in accordance with the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the board of directors of the Company (the "Company Board") has carefully considered the terms of this Agreement and has (i) determined that the transactions contemplated hereby are fair to, advisable and in the best interests of the Company and its stockholders, (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (iii) adopted a resolution directing that the adoption of this Agreement be submitted to the Company Stockholders for consideration and recommending that all of the Company Stockholders adopt this Agreement and approve the Merger;

WHEREAS, the board of directors of Merger Sub has carefully considered the terms of this Agreement and has (i) determined that the transactions contemplated hereby are fair to, advisable and in the best interests of Merger Sub and its sole stockholder, (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, and (iii) adopted a resolution directing that the adoption of this Agreement be submitted to Parent, as the sole stockholder of Merger Sub, for consideration and recommending that Parent adopt this Agreement and approve the Merger;

WHEREAS, the board of directors of Parent (the "Parent Board") has (i) determined that the transactions contemplated hereby are fair to, advisable and in the best interests of Parent and its stockholders and (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the issuance of the Parent Series B Preferred Shares to the Company Stockholders who are Accredited Persons or a cash payment of equivalent value to the Company Stockholders who are Non-Accredited Persons pursuant to the terms of this Agreement;

WHEREAS, immediately following the execution and delivery of this Agreement, the Company shall seek to obtain and deliver to Parent a written consent in substantially the form attached hereto as Exhibit A (the "Written Consent"), duly executed by Company Stockholders necessary to obtain the Requisite Stockholder Approval; and

WHEREAS, the parties desire to make certain representations, warranties, covenants and agreements in connection with the Merger.

## AGREEMENT

NOW THEREFORE, in consideration of the respective covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I. THE MERGER

1.1 The Merger. Pursuant to the terms and subject to the conditions of this Agreement, at the Effective Time (as defined below), the Company and Merger Sub shall consummate the Merger in accordance with the DGCL pursuant to which (a) Merger Sub shall be merged with and into the Company and the separate corporate existence of Merger Sub shall thereupon cease; (b) the Company shall be the successor or Surviving Corporation in the Merger; (c) the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger; and (d) the Company shall succeed to and assume all the rights and obligations of Merger Sub. The corporation surviving the Merger (and any successor or assign thereof) is sometimes hereinafter referred to as the "Surviving Corporation." The Merger shall have the effects set forth in the applicable provisions of the DGCL.

1.2 Effective Time. Concurrently with the Closing on the Closing Date, the parties shall file a Certificate of Merger in the form attached hereto as Exhibit B (the "Certificate of Merger") with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL. The Merger shall become effective upon the filing and acceptance by the Secretary of State of the State of Delaware of the Certificate of Merger or at such later time as is agreed to by Parent and the Company and specified in the Certificate of Merger (the time at which the Merger becomes effective is herein referred to as the "Effective Time"). At the Effective Time, by virtue of the Merger and without any action of the part of Parent, Merger Sub, the Company or any other Person: (a) each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one share of common stock of the Surviving Corporation; and (b) each share of Company Capital Stock issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive the consideration described in Section 1.5.

1.3 Effects of the Merger. At the Effective Time, and without any further action on the part of Parent, Merger Sub, the Company or any other Person:

(a) the certificate of incorporation of the Company, as in effect immediately prior to the Effective Time (the "Company Certificate"), shall be amended and restated in the Merger to read as set forth on Exhibit A to the Certificate of Merger, and, as so amended and restated, such certificate of incorporation shall be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided therein or by applicable Law;

(b) the bylaws of the Company, as in effect immediately prior to the Effective Time, shall be amended and restated in the Merger to read as set forth on Exhibit C, and, as so amended and restated, such bylaws shall be the bylaws of the Surviving Corporation until thereafter amended as provided therein or by applicable Law; and

(c) the Merger shall, from and after the Effective Time, have all of the effects provided by the DGCL and applicable Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the properties, rights, privileges and powers of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

1.4 Subsequent Actions. If at any time after the Effective Time the Surviving Corporation shall determine, in its sole discretion, or shall be advised, that any deeds, bills of sale, instruments of conveyance, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, then the officers of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of the Company, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of the Company or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement.

#### 1.5 Conversion of Company Capital Stock.

##### (a) Company Restricted Shares.

(i) Continuing Employees. Upon the terms and subject to the conditions of this Section 1.5 and elsewhere in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or the holders of shares of Company Capital Stock, each Company Restricted Share (other than Dissenting Shares) that is held, as of immediately prior to the Effective Time, by a Continuing Employee will vest in full and all restrictions, forfeiture conditions and repurchase rights with respect thereto shall lapse, and each such Company Restricted Share will be cancelled and will be converted automatically into the non-transferable right to receive the Per Share Closing Stock Consideration; provided, that each Parent Series B Preferred Share issued pursuant to this Section 1.5(a)(i), including any Parent Series B Preferred Shares released from the Indemnification Holdback Amount or the Roche Holdback Amount in respect of such Company Restricted Share, shall remain subject to the Company Plan or agreement pursuant to which the Company Restricted Share was issued and continue to have, and be subject to, substantially similar terms and conditions (excluding vesting terms, accelerated vesting provisions, risk of forfeiture, but including the right of first refusal, and transfer restrictions) as applied to the applicable Company Restricted Share immediately prior to the Effective Time. At the Effective Time, Parent shall assume the Company Plan and each agreement evidencing a Company Restricted Share that is issued pursuant to this Section 1.5(a)(i).

(ii) Non-Continuing Employees. Upon the terms and subject to the conditions of this Section 1.5 and elsewhere in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or the holders of shares of Company Capital Stock, each Company Restricted Share (other than Dissenting Shares) that is held, as of immediately prior to the Effective Time, by a Non-Continuing Employee will vest in full and all restrictions, forfeiture conditions and repurchase rights with respect thereto shall lapse, and each such Company Restricted Share will be cancelled and will be converted automatically into the non-transferable right to receive (A) if such Non-Continuing Employee is an Accredited Person, the consideration specified for a share of Company Capital Stock in Section 1.5(b)(i) and (B) if such Non-Continuing Employee is a Non-Accredited Person, the consideration specified for a share of Company Capital Stock in Section 1.5(b)(ii).

(b) Company Non-Restricted Shares.

(i) Shares Held by Accredited Investors. Upon the terms and subject to the conditions of this Section 1.5 and elsewhere in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or the holders of shares of Company Capital Stock, each share of Company Capital Stock (other than Company Restricted Shares held by Continuing Employees and Dissenting Shares) issued and outstanding immediately prior to the Effective Time that is held by a Person who is an Accredited Investor (an "Accredited Person") will be cancelled and will be converted automatically into the non-transferable right to receive the Per Share Closing Stock Consideration.

(ii) Shares Held by Non-Accredited Investors. Upon the terms and subject to the conditions of this Section 1.5 and elsewhere in this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or the holders of shares of Company Capital Stock, each share of Company Capital Stock (other than Company Restricted Shares held by Continuing Employees and Dissenting Shares) issued and outstanding immediately prior to the Effective Time that is held by a Person who is not an Accredited Investor (a "Non-Accredited Person") will be cancelled and will be converted automatically into the non-transferable right to receive an amount in cash equal to the Per Share Closing Cash Consideration.

(c) No Further Ownership Rights in Company Securities. At the Effective Time, each holder of issued and outstanding Company Capital Stock immediately prior to the Effective Time shall cease to have any rights as a holder of securities of the Company. After the Effective Time, there shall be no further registration of transfers on the transfer books of the Surviving Corporation of the Company Capital Stock outstanding immediately prior to the Effective Time. If, after the Effective Time, a valid certificate previously representing any of such shares of Company Capital Stock (a "Company Stock Certificate") is presented to the Surviving Corporation or Parent, such Company Stock Certificate shall be canceled (as applicable) and shall be exchanged as provided in Section 1.7.

(d) No Fractional Shares. No fractional Parent Series B Preferred Shares shall be issued in connection with the Merger, and the number of Parent Series B Preferred Shares issuable to each Company Stockholder pursuant to Sections 1.5, 1.8, 1.9, 8.8 or elsewhere in this Agreement shall be rounded down to the nearest whole number of Parent Series B Preferred Shares for each such issuance, with no cash being paid for any fractional share eliminated by such rounding.

1.6 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, shares of Company Capital Stock that are issued and outstanding immediately prior to the Effective Time and that are held by Company Stockholders properly exercising appraisal rights available under Section 262 of the DGCL (the "Dissenting Shares") shall not be converted into or be exchangeable for the right to receive any consideration pursuant to Section 1.5, unless and until such holders shall have failed to perfect or shall have effectively withdrawn or lost their rights to appraisal under the DGCL. Dissenting Shares shall be treated in accordance with Section 262 of the DGCL. If any such holder shall have failed to perfect or shall have effectively withdrawn or lost such right to appraisal, such holder's shares of Company Capital Stock shall thereupon be converted into and become exchangeable only for the right to receive, as of the later of the Effective Time and the time that such right to appraisal shall have been irrevocably lost, withdrawn or expired, the consideration in respect thereof set forth in Section 1.5, without any interest thereon. The Company shall give Parent and Merger Sub (a) prompt notice of any written demands for appraisal of any shares, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by the Company relating to rights to be paid the "fair value" of Dissenting Shares, as provided in Section 262 of the DGCL and (b) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under the DGCL. The Company shall not, except with the prior written consent of Parent (which shall not be unreasonably withheld, conditioned or delayed), voluntarily make or agree to make any payment with respect to any demands for appraisals of Company Capital Stock, offer to settle or settle any such demands or approve any withdrawal of any such demands.

#### 1.7 Surrender Procedures.

(a) Prior to the Effective Time, Parent shall appoint U.S. Bank National Association as the exchange agent in the Merger (the "Exchange Agent"). Promptly after the Effective Time, the Exchange Agent shall send, to each Company Stockholder that has not delivered a Letter of Transmittal and Accredited Investor Certification to Parent prior to the Effective Time, at the address and email address provided by the Company in the Consideration Schedule a letter of transmittal in the form of Exhibit D attached hereto (the "Letter of Transmittal") for use in such exchange. The parties acknowledge that the terms of the Letter of Transmittal include (i) an agreement to be bound by the terms of this Agreement, including Article VIII and Section 9.20 hereof, (ii) a written certification of status as an "accredited investor" within the meaning of Securities and Exchange Commission Rule 501 of Regulation D, as presently in effect, under the Securities Act, in the form of Exhibit E attached hereto (an "Accredited Investor Certification"), (iii) a joinder to the Parent Investor Agreements for Stock Converting Holders, (iv) a release of claims against the Company and related parties and (v) instructions for use in effecting the surrender of Company Stock Certificates.

(b) On the Closing Date, Parent shall deposit (or cause to be deposited) with the Exchange Agent an amount of cash sufficient to pay the aggregate Per Share Closing Cash Consideration payable hereunder (other than any such amounts which are payable through the Surviving Corporation's or Parent's payroll system pursuant to this Agreement). The Exchange Agent shall hold such funds and deliver them in accordance with the terms and conditions hereof and the terms and conditions of an Exchange Agent Agreement in a form to be provided by Parent and reasonably acceptable to the Company (the "Exchange Agent Agreement").

(c) Upon surrender of a Company Stock Certificate for cancellation to the Exchange Agent, together with the Letter of Transmittal, duly completed and validly executed in accordance with the instructions thereto, the holder of such Company Stock Certificate shall be entitled to receive in exchange for each share of Company Capital Stock formerly represented by such Company Stock Certificate, upon the terms and subject to the conditions set forth in this Agreement, the Per Share Closing Stock Consideration or Per Share Closing Cash Consideration, as applicable, payable in respect of such share of Company Capital Stock pursuant to Section 1.5, and the Company Stock Certificate so surrendered shall forthwith be canceled. The Exchange Agent shall, promptly after receipt of each properly surrendered Company Stock Certificate, (i) cause the Per Share Closing Cash Consideration, if any, payable with respect to each share represented by such Company Stock Certificate to be sent by wire transfer of immediately available funds to the account designated by such holder in the Letter of Transmittal delivered with such Company Stock Certificate and (ii) instruct Parent to issue the Per Share Closing Stock Consideration (which, for the avoidance of doubt, may be delivered in a book-entry or similar position), if any, issuable with respect to each share represented by such Company Stock Certificate. Until so surrendered, each outstanding Company Stock Certificate that prior to the Effective Time represented shares of Company Capital Stock will be deemed from and after the Effective Time, for all purposes, to evidence only the right to receive upon such surrender the Per Share Closing Consideration (upon the terms and subject to the conditions set forth in this Agreement).

(d) If any Company Stock Certificate shall have been lost, stolen or destroyed, Parent may, in its discretion and as a condition precedent to the payment of any portion of the Per Share Closing Consideration, require the owner of such lost, stolen or destroyed Company Stock Certificate to provide an appropriate affidavit, which affidavit will include an obligation to indemnify Parent and the Surviving Corporation against any claim that may be made against Parent or the Surviving Corporation with respect to such Company Stock Certificate.

(e) Notwithstanding anything to the contrary in this Agreement, none of Parent, the Surviving Corporation or the Exchange Agent shall be liable to any holder or former holder of shares of Company Capital Stock for the Per Share Closing Consideration attributable to each of such shares or for any other cash amounts, delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law.

(f) Any portion of the consideration payable to Company Stockholders hereunder that is held by the Exchange Agent and remains undistributed to Company Stockholders as of the first anniversary of this Agreement shall be delivered to Parent upon demand, and Company Stockholders who have not theretofore surrendered their Company Stock Certificates in accordance with this Section 1.7 shall thereafter look only to Parent for satisfaction of their claims for any consideration payable with respect to the shares of Company Capital Stock previously represented by such Company Stock Certificates without any interest thereon.

1.8 Indemnification Holdback Release. Notwithstanding anything to the contrary in this Article I or elsewhere in this Agreement, Parent shall withhold from each Company Stockholder's applicable portion of the aggregate Per Share Closing Cash Consideration or Per Share Closing Stock Consideration payable or issuable, as applicable, to such Company Stockholder pursuant to Section 1.5, such Company Stockholder's Pro Rata Share of the Indemnification Holdback Amount (which such amount shall be withheld in the form of cash for each Cash Converting Holder and in the form of Parent Series B Preferred Shares issued in the name of the Company Stockholder at Closing for each Stock Converting Holder (with such Parent Series B Preferred Shares valued at the Parent Per Share Price)). The Indemnification Holdback Amount shall constitute partial security for the benefit of Parent (on behalf of itself or any other Parent Indemnified Party) in respect of the indemnification obligations of the Company Stockholders under Section 8.2, and shall be held and distributed in accordance with Section 8.8. The adoption of this Agreement and the approval of the Merger by the Company Stockholders shall constitute, among other things, approval of the (a) Indemnification Holdback Amount, (b) the withholding of the Indemnification Holdback Amount by Parent and (c) the appointment of the Stockholders' Representative.

1.9 Roche Release.

(a) Notwithstanding anything to the contrary in this Article I or elsewhere in this Agreement, Parent shall withhold from each Company Stockholder's applicable portion of the aggregate Per Share Closing Cash Consideration or Per Share Closing Stock Consideration payable or issuable, as applicable, to such Company Stockholder pursuant to Section 1.5, such Company Stockholder's Pro Rata Share of the Roche Holdback Amount (which such amount shall be withheld in the form of cash for each Cash Converting Holder and in the form of Parent Series B Preferred Shares issued in the name of the Company Stockholder at Closing for each Stock Converting Holder (with such Parent Series B Preferred Shares valued at the Parent Per Share Price)). The Roche Holdback Amount shall be held and distributed in accordance with this Section 1.9. The adoption of this Agreement and the approval of the Merger by the Company Stockholders shall constitute, among other things, approval of the (a) Roche Holdback Amount and (b) the withholding of the Roche Holdback Amount by Parent. The Company Stockholders shall not receive interest on the Roche Holdback Amount. Neither the Roche Holdback Amount (including any portion thereof) nor any beneficial interest therein may be pledged, subjected to any Encumbrance, sold, assigned or transferred by any Company Stockholder, or be taken or reached by any legal or equitable process in satisfaction of any debt or other liability of any Company Stockholder, in each case prior to the release of the Roche Holdback Amount to any Company Stockholder in accordance with this Section 1.9. For the avoidance of doubt, any Parent Series B Preferred Shares deemed withheld from the Stock Converting Holders in respect of the Roche Holdback Amount in accordance with this Section 1.9 shall be issued and outstanding stock of Parent, which Parent shall hold in escrow on behalf of the Stock Converting Holders pending release under this Section 1.9. The Stock Converting Holders shall be entitled to exercise voting rights and shall be entitled to receive any dividends with respect to such shares until such time, if any, as such shares are cancelled by Parent as provided in this Section 1.9.

(b) If and only if the Roche Interim Release Event has occurred, as soon as reasonably practicable following the occurrence of the Roche Interim Release Event (but in no event later than thirty (30) days following such date), Parent shall, upon the terms and subject to the conditions of Section 1.7 and elsewhere in this Agreement, [\*\*\*].

(c) If and only if a Roche Secondary Release Event has occurred, as soon as reasonably practicable following the occurrence of the Roche Secondary Release Event (but in no event later than thirty (30) days following such date), Parent shall, upon the terms and subject to the conditions of Section 1.7 and elsewhere in this Agreement, [\*\*\*].

(d) During the Roche Interim Period and, if applicable, the Roche Secondary Period, [\*\*\*].

(e) For the avoidance of doubt, in no event shall Parent be obligated to [\*\*\*].

1.10 Tax Consequences. For U.S. federal income tax purposes, it is intended that the Merger qualify as a “reorganization” within the meaning of Section 368(a) of the Code, and the regulations promulgated thereunder. This Agreement is intended to constitute, and the parties hereto hereby adopt this Agreement as, a “plan of reorganization” for purposes of Sections 354, 361 and 368 of the Code. For the avoidance of doubt, however, neither Parent nor Merger Sub (nor any Representative thereof) has provided or will provide any representations or warranties regarding the tax consequences of the Merger and the transactions contemplated hereunder or any tax advice. Each party hereto shall prepare its Tax Returns relating to the Merger in a manner consistent with the foregoing intent, unless otherwise required by applicable law.

1.11 Withholding. Each of Parent, Merger Sub, the Surviving Corporation, the Exchange Agent and any other applicable withholding agent shall be entitled to deduct or withhold from the amounts payable or issuable (including Parent Series B Preferred Shares deliverable) under this Agreement such amounts as such Person is required to deduct or withhold in accordance with the Code and any other applicable Law. Any such withheld or deducted amount shall be timely paid over to the appropriate Governmental Authority and treated as though such amount had been paid to the Person in respect of whom such withholding was determined to be necessary. Any compensatory payments contemplated to be made hereunder shall be made through the payroll procedures of the applicable Person.

1.12 Equitable Adjustments. In the event of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into capital stock), reorganization, reclassification, combination, recapitalization or other like change with respect to the Company Capital Stock or Parent Series B Preferred Shares occurring after the date of this Agreement and prior (i) to the Effective Time or (ii) with respect to Parent Series B Preferred Shares, if any, to be issued pursuant to Section 1.9 or Section 8.8(c), at any time prior to the release of all such shares pursuant to Section 1.9 or Section 8.8(c), as applicable, all references in this Agreement to specified numbers of shares of any class or series affected thereby, and all calculations provided for that are based upon numbers of shares of any class or series affected thereby, shall be equitably adjusted to the extent necessary to provide the parties the same economic effect as contemplated by this Agreement prior to such stock split, reverse stock split, stock dividend, reorganization, reclassification, combination, recapitalization or other like change.

ARTICLE II.  
CLOSING

2.1. The Closing. The closing of the transactions contemplated herein (the “Closing”) shall take place at the offices of Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California, at 9:00 a.m. as soon as reasonably practicable (and, in any event, within three (3) Business Days) after satisfaction or (to the extent permitted by applicable Law) waiver of the conditions set forth in Article VI hereof, or at such other time, date and location (or by electronic exchange of signatures) as Parent and the Company may agree in writing (the date of the Closing, the “Closing Date”).

2.2. Pre-Closing Deliveries.

(a) No later than three (3) Business Days prior to the Closing Date, the Company shall deliver to Parent a statement (the “Estimated Closing Statement”) setting forth the Company’s good faith estimate of (i) Closing Working Capital, (ii) Closing Indebtedness and (iii) Unpaid Transaction Expenses. The Company shall consult with Parent and its accountants with respect to the preparation of the Estimated Closing Statement and shall deliver appropriate supporting documentation, in detail reasonably acceptable to Parent, concurrently with the delivery of the Estimated Closing Statement. Parent and its Representatives shall have reasonable access during normal business hours to the books, records and officers of the Company to the extent reasonably required in connection with their review of the Estimated Closing Statement and the components thereof. If prior to the Closing Date, Parent disputes all or any portion of the Estimated Closing Statement, the chief financial officers (or any executive functionally serving such role) of the Company and Parent shall promptly meet and seek in good faith to resolve the dispute(s). Such parties shall resolve in good faith any disagreements concerning the Estimated Closing Statement and the components thereof prior to the Closing and in all cases the Estimated Closing Statement shall be in form and substance reasonably satisfactory to Parent prior to the Closing.

(b) No later than three (3) Business Days prior to the Closing Date, the Company shall prepare and deliver to Parent a schedule in spreadsheet format (the “Consideration Schedule”), in form and substance reasonably satisfactory to Parent and certified as complete and correct by the Company’s chief executive officer, setting forth all of the following information as of immediately prior to the Closing: (i) the names of all of the Company Stockholders and their respective addresses and, to the extent known by the Company, their respective e-mail addresses, (ii) the number and type of shares of Company Capital Stock held by such Company Stockholders and the respective certificate numbers representing such shares, (iii) the date of acquisition of shares of Company Capital Stock, (iv) the calculation of the Fully Diluted Common Number and the Aggregate Closing Parent Shares, (v) the calculation of aggregate cash amounts or Parent Series B Preferred Shares releasable to each Company Stockholder at Closing pursuant to Section 1.5 assuming each Company Stockholder is paid either a cash amount or Parent Series B Preferred Shares pursuant to Section 1.5, (vi) the calculation of aggregate cash amounts or Parent Series B Preferred Shares releasable to each Company Stockholder pursuant to Section 1.9(a) assuming the

full release of the Roche Holdback Amount and assuming each Company Stockholder is paid either a cash amount or Parent Series B Preferred Shares pursuant to Section 1.9(a), (vii) the calculation of aggregate cash amounts or Parent Series B Preferred Shares payable or issuable, respectively, to each Company Stockholder pursuant to Section 8.8(c) assuming the full release of the Indemnification Holdback Amount and assuming each Company Stockholder is paid either a cash amount or Parent Series B Preferred Shares pursuant to Section 8.8(c), (viii) the calculation of each Company Stockholder's Pro Rata Share, and (ix) a funds flow memorandum setting forth applicable wire transfer instructions and other information reasonably requested by Parent. All amounts and allocations set forth in the Consideration Schedule shall be conclusive and binding upon the Company and the Company Stockholders and neither Parent or Merger Sub, nor, after Closing, the Surviving Corporation shall have any obligation to verify the accuracy of the Consideration Schedule. In the event of any inconsistency between the Consideration Schedule and any provision of the Company Certificate or any other document, the Consideration Schedule shall control in all respects.

(c) No later than two (2) Business Days prior to the Closing Date, the Company shall obtain and deliver to Parent accurate and complete copies of: (i) with respect to each item of Indebtedness of the Company (other than the TRV Indebtedness, but including the [\*\*\*] to the extent such [\*\*\*] is not converted to shares of Company Capital Stock prior to the Closing), if any, a payoff letter, dated no more than three (3) Business Days prior to the Closing Date and in form and substance reasonably satisfactory to Parent, from the lender of such item of Indebtedness and setting forth the amounts payable to such lender to (A) fully satisfy and discharge such Indebtedness as of the Closing and (B) terminate and release any Encumbrances related thereto (each, a "Payoff Letter"); and (ii) an invoice from each advisor or other service provider to the Company, dated no more than three (3) Business Days prior to the Closing Date, with respect to all Transaction Expenses due and payable to such advisor or other service provider, as the case may be, as of the Closing Date.

ARTICLE III.  
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Merger Sub as follows, except as otherwise set forth on the Company Disclosure Schedule, which representations and warranties are, as of the date hereof, and will be, as of the Closing Date, true and correct (except for representations and warranties that by their terms are made only as of a specific date or time, which need only be true and correct as of such date or time):

3.1. Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as presently conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect on the Company.

3.2. Authorization. The Company has all requisite corporate power and authority to execute and deliver this Agreement and all agreements contemplated by this Agreement to be executed and delivered by the Company, as the case may be, pursuant hereto, to consummate the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder. The execution and delivery by the Company of this Agreement and such other agreements and the consummation by the Company of the transactions contemplated hereby and thereby have been duly approved by the Company Board. No other corporate proceedings on the part of the Company are necessary to authorize this Agreement and the transactions contemplated hereby (other than the Requisite Stockholder Approval). The Requisite Stockholder Approval is the only vote or consent of the holders of any class or series of Company Capital Stock necessary to adopt this Agreement and approve the terms of the Merger and the consummation of the transactions contemplated hereby. This Agreement has been, and such other agreements will be, duly executed and delivered by the Company and is, and such other agreements will be, the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, in each case, except as such enforceability may be limited by (a) bankruptcy, insolvency, moratorium, reorganization or other similar Laws affecting creditors' rights generally and (b) the general principles of equity, regardless of whether asserted in a Proceeding in equity or at Law.

3.3. Governmental Consents and Filings. Assuming the accuracy of the representations made by Parent and Merger Sub in Article IV, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local Governmental Authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for (i) the filing of the Restated Certificate, which will have been filed as of the Closing, and (ii) filings pursuant to Regulation D of the Securities Act, and applicable state securities laws.

3.4. No Conflict or Violation. The Company is not in violation or default: (a) of any provisions of its Organizational Documents, (b) of any Order, (c) under any note, indenture or mortgage, (d) under any Material Contract to which it is a party or by which it is bound, or (e) of any provision of federal or state Law applicable to the Company, except, in the case of each of clauses (b) and (e), where such violation or default would not, individually or in the aggregate, reasonably be expected to result in a material Liability to the Company. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a material default under any such provision, instrument, Order, or Material Contract; or (ii) an event which results in the creation of any Encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material Permit applicable to the Company.

3.5. Capitalization.

(a) As of the date hereof, the authorized capital stock of the Company consists of:

(i) 121,500,000 shares of Company Common Stock, 19,017,423 shares of which are issued and outstanding as of the date hereof. All of the outstanding shares of Company Common Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities Laws. The Company holds no Company Common Stock in its treasury.

(ii) 75,000,000 shares of Company Preferred Stock, of which all of such shares have been designated Series A Preferred Stock, 75,000,000 of which are issued or outstanding as of the date hereof. The rights, privileges and preferences of the Parent Preferred Stock are as stated in the Company Certificate and as provided by the DGCL. The Company holds no Company Preferred Stock in its treasury.

(b) As of the date hereof, the Company has reserved 20,064,924 shares of Company Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to the Company Plan. Of such reserved shares of Company Common Stock, no options to purchase or stock purchase rights have been granted, 16,994,954 Company Restricted Shares have been issued under the Company Plan, 16,994,954 of which remain outstanding and subject to a risk of forfeiture or a right of repurchase at the original purchase price thereof, and 3,069,970 shares of Company Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the Company Plan. 698,939 Company Restricted Shares were issued outside of the Company Plan pursuant to agreements, 698,939 of which remain outstanding and subject to a risk of forfeiture or a right of repurchase at the original purchase price thereof. The Company has made available to Parent complete and accurate copies of the Company Plan and forms of agreements approved by the Company Board for use thereunder.

(c) Except as set forth in Section 3.5(c) of the Company Disclosure Schedule, no agreement evidencing Company Restricted Shares contains a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events, including in the case where the Company Plan is not assumed in an acquisition. The Company has no obligation (contingent or otherwise) to purchase or redeem any of its capital stock.

(d) The Company does not own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

### 3.6. Securities Laws.

(a) No “bad actor” disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a “Disqualification Event”) is applicable to the Company or, to the Company’s Knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii-iv) or (d)(3), is applicable.

(b) Neither the Company, nor any of its officers, directors, employees, agents or stockholders has either directly or indirectly, including, through a broker or finder (i) engaged in any general solicitation, or (ii) published any advertisement in connection with the offer and sale of the Parent Series B Preferred Shares.

3.7. Litigation. There is no Action pending or to the Company's Knowledge, currently threatened in writing (a) against the Company; (b) against any officer, director or employee of the Company arising out of their employment or board relationship with the Company; (c) that questions the validity of this Agreement or the agreements contemplated by this Agreement to which the Company is a party or the right of the Company to enter into them, or to consummate the transactions contemplated hereby or thereby; or (d) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company. Neither the Company nor, to the Company's Knowledge, any of its officers, directors or employees is a party or is named as subject to the provisions of any Order (in the case of officers, directors or employees, such as would affect the Company). There is no Action by the Company pending or which the Company intends to initiate. The foregoing includes Actions pending or threatened in writing involving the prior employment of any of the Company's employees, their services provided in connection with the Company's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

### 3.8. Intellectual Property.

(a) Section 3.8(a) of the Company Disclosure Schedule sets forth an accurate and complete list as of the date of this Agreement of (i) each item of Company Registered Intellectual Property, (ii) the jurisdiction in which such item of Company Registered Intellectual Property has been registered or filed, the applicable application, registration, or serial or other similar identification number, the filing date or registration date and issuance or grant date and (iii) any other Person that has, or to the Company's Knowledge, purports to have, an ownership interest in such item of Company Registered Intellectual Property and the nature of such ownership interest. The Company has provided to Parent complete and accurate copies of all invention disclosures, applications, material correspondence with any Governmental Authority, and other material documents related to the prosecution and maintenance of each such item of Company Registered Intellectual Property.

(b) The Company owns or possesses sufficient legal rights to all Company Intellectual Property and other Intellectual Property necessary to carry on its business without any known conflict with, or infringement of, the rights of others. To Company's Knowledge, no Company Intellectual Property and no technology or process or product candidate developed or proposed to be developed, marketed or sold by the Company infringes or will infringe any Intellectual Property rights of any other Person. Other than with respect to (a) commercially available software products under standard end-user object code license agreements ("Off-the-Shelf Software Licenses"), and (b) agreements with employees and contractors of the Company entered into on the Company standard form employee proprietary information and invention assignment agreement or consulting agreement, or without material deviation therefrom ("Form Company Service Provider Agreements"), there are no outstanding options, licenses, agreements, claims, encumbrances or shared ownership interests of any kind relating to the Company Intellectual Property, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person. The Company has not received any communications alleging that the Company has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person. The Company has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or

leases or that it has otherwise provided to its employees for their use in connection with the Company's business. To the Company's Knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or Persons it currently intends to hire) made prior to their employment by the Company. Each employee and consultant has executed an employee or consulting agreement that assigns to the Company all Intellectual Property rights he or she conceives, makes or invents pursuant to such agreement that are related to the Company's business as now conducted and as presently proposed to be conducted. Section 3.8 of the Disclosure Schedule lists all Company Intellectual Property.

### 3.9. Agreements; Actions.

(a) Except for this Agreement and the Contracts listed in Section 3.9(a) of the Company Disclosure Schedule (any such Contract listed or required to be listed on Section 3.9(a) of the Company Disclosure Schedule, a "Material Contract"), as of the date of this Agreement, there are no Contracts to which the Company is a party or by which it is bound that involve (i) obligations (contingent or otherwise) of, or payments to, the Company in excess of \$100,000 on an annual basis, (ii) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from the Company (except for (A) Off-the-Shelf Software Licenses and Form Company Service Provider Agreements and (B) non-disclosure agreements, evaluation agreements, material transfer agreements and licenses or restricted use provisions that arise out of the purchase of reagents from suppliers or through catalogs, in each case, entered into in the ordinary course of business consistent with past practice, and which are not material, either individually or in the aggregate, to the Company), (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products, (iv) indemnification by the Company with respect to infringements of proprietary rights (other than any agreements entered into in the ordinary course of business consistent with past practice which are not material, either individually or in the aggregate, to the Company), (v) any employment agreements (except for employment agreements without material deviation from the Company's standard form offer letters and proprietary information agreement) and consulting agreements (except for consulting agreements without material deviation from the Company's standard form consulting agreements) which involve payments by the Company in excess of \$100,000 on an annual basis, (vi) any distributor or sales representative agreement, (vii) any agreement under which the Company is restricted from carrying on its business anywhere in the world, (viii) any agreement for the disposition of a material portion of the Company's assets (other than for the sale of inventory in the ordinary course of business) or (ix) any agreement for the acquisition by the Company of the business or securities or other ownership interests of another party.

(b) The Company is not a guarantor or indemnitor of any Indebtedness of any other Person.

### 3.10. Certain Transactions.

(a) Other than (i) standard employee benefits generally made available to all employees, (ii) standard director and officer indemnification agreements approved by the Board of Directors, (iii) the purchase of shares of Company Capital Stock, in each instance, approved in the written minutes of the Company Board (previously provided to Parent), and (iv) as otherwise disclosed in Section 3.16(f) of the Company Disclosure Schedule, there are no agreements, understandings or proposed transactions between the Company and any of its officers or their direct reports, directors, consultants or Key Employees, or any Affiliate of the Company or any of the foregoing.

(b) The Company is not indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any Affiliate of the Company or any of the foregoing (each, a “Company Related Person”), other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses and for other customary employee benefits made generally available to all employees. No Company Related Person is, directly or indirectly, indebted to the Company or, to the Company’s Knowledge, has any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Company’s customers, suppliers, service providers, joint venture partners, licensees or competitors, (ii) direct or indirect ownership interest in any entity with which the Company is affiliated or with which the Company has a business relationship, or any entity which competes with the Company (other than any ownership of less than two percent (2%) of the outstanding capital stock of publicly traded companies that may compete with the Company), or (iii) financial interest in any material contract with the Company.

3.11. Voting Rights. Except as contemplated in the Company Voting Agreement, to the Company’s Knowledge, no Company Stockholder has entered into any agreements with respect to the voting of shares of Company Capital Stock.

3.12. Property. The tangible property and assets that the Company owns are free and clear of all Encumbrances, except for Permitted Encumbrances. With respect to the tangible property and assets it leases, the Company is in compliance with such leases and, to its Knowledge, holds a valid leasehold interest free of any Encumbrances other than those of the lessors of such property or assets. The Company does not own, and has not ever owned, any real property.

3.13. Financial Statements. The Company has delivered to Parent its audited financial statements as of December 31, 2016 and December 31, 2017 and for the years ended December 31, 2016 and December 31, 2017 and its unaudited financial statements (including balance sheet and income statement) as of August 31, 2018 (the “Company Balance Sheet Date”) and for the eight-month period ended on the Company Balance Sheet Date (collectively, the “Company Financial Statements”). The Company Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, except that the unaudited Company Financial Statements may not contain all footnotes required by GAAP. The Company Financial Statements fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, indicated therein, subject in the case of the unaudited Company Financial Statements to normal year-end audit adjustments. The Company maintains a standard system of accounting established and administered in accordance with GAAP.

3.14. Undisclosed Liabilities. The Company does not have any material Liabilities other than: (a) Liabilities disclosed and provided for on the Company Balance Sheet or in the notes thereto; (b) accounts payable or accrued salaries or employee benefits that have been incurred by the Company since the Company Balance Sheet Date in the ordinary course of business and consistent with past practice; (c) Liabilities under the express terms of executory Contracts to which the Company is a party (none of which relates to any breach of contract, breach of warranty, tort, infringement, or violation of Law); and (d) Liabilities arising under this Agreement.

3.15. Absence of Changes. Since the Company Balance Sheet Date through and including the date hereof, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of the Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Effect on the Company;
- (b) any damage, destruction or loss, whether or not covered by insurance, that would have a Material Adverse Effect on the Company;
- (c) any waiver or compromise by the Company of a valuable right or of a material debt owed to it;
- (d) any satisfaction or discharge of any Encumbrance or payment of any obligation by the Company, except in the ordinary course of business and the satisfaction or discharge of which would not have a Material Adverse Effect on the Company;
- (e) any material change in any compensation arrangement or agreement with any employee, officer or director of the Company;
- (f) any resignation or termination of employment of any officer, direct report of an officer or Key Employee of the Company;
- (g) any mortgage, pledge, transfer of a security interest in, or Encumbrance, created by the Company, with respect to any of its material properties or assets, except Permitted Encumbrances;
- (h) any loans or guarantees made by the Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;
- (i) any declaration, setting aside or payment or other distribution in respect of any of the Company's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by the Company;
- (j) any sale, assignment or transfer of any Company Intellectual Property;
- (k) to the Company's Knowledge, any other event or condition of any character, other than events affecting the economy or the Company's industry generally, that would reasonably be expected to result in a Material Adverse Effect on the Company; or

(l) any arrangement or commitment by the Company to do any of the things described in this Section 3.15 (other than negotiations and agreements with Parent and its Representatives regarding the transactions contemplated by this Agreement).

3.16. Employee Matters.

(a) Section 3.16(a) of the Company Disclosure Schedule sets forth an accurate and complete list of the names, titles, annual base salary or hourly wages, commission, bonus opportunity, hire date, accrued vacation and paid-time-off, principal work location, leave status of all employees of and independent contractors to the Company as of the date of this Agreement, whether any employee is on a work visa and each employee's status as being exempt or nonexempt from the application of state and federal wage and hour Laws.

(b) To the Company's Knowledge, none of its employees is obligated under any Contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any Order, that would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of this Agreement, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will, to the Company's Knowledge, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

(c) The Company is not delinquent in payments to any of its employees, consultants, or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such employees, consultants or independent contractors. The Company is, and has been at all times during the past six (6) years from the date hereof, in compliance in all material respects with all applicable state and federal equal employment opportunity Laws and with other Laws related to employment, including those related to wages, hours, worker classification and collective bargaining. The Company has at all times during the past six (6) years from the date hereof, withheld and paid to the appropriate Governmental Authority or is holding for payment not yet due to such Governmental Authority all amounts required to be withheld from employees of the Company and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing.

(d) To the Company's Knowledge, no Key Employee has expressed an intention to terminate employment with the Company or is otherwise likely to become unavailable to continue as a Key Employee, nor does the Company have a present intention to terminate the employment of any of the foregoing. The employment of each employee of the Company is terminable at the will of the Company. Except as set forth in Section 3.16(d) of the Disclosure Schedule or as required by law, upon termination of the employment of any such employees, no severance or other payments will become due. Except as set forth in Section 3.16(d) of the Disclosure Schedule, the Company has no policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

(e) The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant that are inconsistent with the share amounts and terms set forth in the minutes of meetings of the Company Board.

(f) Each former officer or direct report of an officer whose employment was terminated by the Company has entered into an agreement with the Company providing for the full release of any claims against the Company or any related party arising out of such employment.

(g) Section 3.16(g) of the Company Disclosure Schedule sets forth an accurate and complete list identifying each “employee benefit plan,” as defined in Section 3(3) of ERISA, and each employment, severance or similar Contract and each other material plan, agreement, policy, program, commitment or arrangement (written or oral) providing for compensation, bonuses, commission, profit-sharing, retention, equity or other equity-related rights, incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangements), health or medical benefits, welfare benefits, life, accident, dental or vision benefits, tuition benefits, vacation or paid-time-off, employee assistance program, disability or sick leave benefits, workers’ compensation, supplemental unemployment benefits, severance benefits, change of control payments, post-employment or retirement benefits and other employee benefits, in any case, which is maintained, administered or contributed to by the Company thereof and covers any employee or former employee of the Company, or with respect to which the Company has or may have any liability (whether actual or contingent) (collectively, the “Employee Plans”). The Company has made available to Parent a true, correct and complete copy of each of the Employee Plans. The Company has made all required contributions or has accrued such contributions in accordance with the terms of the applicable Employee Plan and has no liability under any such Employee Plans for post-termination or retiree payments or benefits, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with its terms and all applicable Laws for any such Employee Plan.

(h) Neither the Company nor current or former ERISA Affiliate currently maintains, sponsors, participates in or contributes to, or has ever maintained, established, sponsored, participated in, or contributed to, any pension plan (within the meaning of Section 3(2) of ERISA) which is subject to Part 3 of Subtitle B of Title I of ERISA, Title IV of ERISA or Section 412 of the Code. Neither the Company nor ERISA Affiliate is a party to, or has made any contribution to or otherwise incurred any obligation under, any “multiemployer plan” as such term is defined in Section 3(37) of ERISA or any “multiple employer plan” as such term is defined in Section 413(c) of the Code.

(i) The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company’s Knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the Company’s Knowledge, threatened, which would be material to the Company, nor is the Company aware of any labor organization activity involving its employees.

(j) To the Company's Knowledge, none of the Key Employees, officers or their direct reports, or directors of the Company has been (i) subject to voluntary or involuntary petition under the federal bankruptcy laws or any state insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his business or property; (ii) convicted in a criminal proceeding or named as a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (iii) subject to any order, judgment or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him from engaging, or otherwise imposing limits or conditions on his engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (iv) found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

### 3.17. Tax Matters.

(a) The Company has duly and timely filed with the appropriate Tax authorities all income and other material Tax Returns required to be filed. All such Tax Returns are complete and accurate in all material respects. All Taxes required to be paid and for which the Company is liable (whether or not shown on any Tax Returns) have been paid. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by a Tax authority or other Governmental Authority in writing in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction.

(b) The unpaid Taxes of the Company did not, as of the Company Balance Sheet Date, exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Company Balance Sheet (rather than in any notes thereto). Since the Company Balance Sheet Date, the Company has not incurred any liability for Taxes outside the ordinary course of business or otherwise inconsistent with past custom and practice, and the accrued and unpaid Taxes of the Company as of the Closing Date will not materially exceed the current liability for such Taxes included on the Company Balance Sheet.

(c) No deficiencies for Taxes with respect to the Company have been claimed, proposed or assessed by any Tax authority or other Governmental Authority. There are no pending audits, assessments or other actions for or relating to any liability in respect of Taxes of the Company, nor are any threatened in writing. There are no matters under discussion with any Tax authority or, to the Knowledge of the Company, with respect to Taxes that are reasonably likely to result in additional liability for Taxes with respect to the Company. No issues relating to Taxes of the Company were raised in writing by the relevant Tax authority in any completed audit or examination that would reasonably be expected to result in a material liability in respect of Taxes in a later taxable period. The Company has delivered or made available to Parent complete and accurate copies of all federal, state, local and foreign Tax Returns of the Company (and any predecessor thereof) for all taxable years remaining open under the applicable statute of limitations, and complete and accurate copies of all audit or examination reports and statements of deficiencies assessed against or agreed to by the Company (or any predecessors thereof). The Company (or any predecessor thereof) has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, nor has any request been made in writing for any such extension or waiver.

(d) There are no Encumbrances for Taxes upon any property or asset of the Company (other than Encumbrances described in clause (b) of the definition of Permitted Encumbrances).

(e) The Company will not be required to include any material item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing Date as a result of any installment sale or other transaction on or prior to the Closing Date, any accounting method change made or required to be made on or prior to the Closing Date or any agreement with any Tax authority entered into on or prior to the Closing Date, the use of an improper method of accounting for any period or portion thereof ending prior to the Closing Date, any written agreement with a Tax authority with respect to Taxes pursuant to Section 7121 of the Code (or any similar provision of state, local or foreign law) or private letter ruling with respect to the Company, any prepaid amount received on or prior to the Closing (other than in the ordinary course of business), an election under Section 965(h) of the Code, the application of Section 965 of the Code or any intercompany transaction or excess loss account described in the Treasury Regulations promulgated pursuant to Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign law) in respect of taxable periods (or portions thereof) ending on or prior to the Closing Date.

(f) The Company has not (i) been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, (ii) been a “personal holding company” as defined in Section 542 of the Code (or any similar provision of state, local or foreign Law), (iii) been a stockholder of a “passive foreign investment company” within the meaning of Section 1297 of the Code or (iv) engaged in a trade or business, had a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise become subject to Tax jurisdiction in a country other than the country of its formation.

(g) The Company is not a partner for Tax purposes with respect to any joint venture, partnership, or other arrangement or Contract which is treated as a partnership for Tax purposes.

(h) The Company is not a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar Contract (other than customary provisions in commercial or financial agreements entered into in the ordinary course of business, the principal purpose of which is not related to Taxes).

(i) The Company has not been a party to a transaction that is or is substantially similar to a “reportable transaction,” as such term is defined in Treasury Regulations Section 1.6011-4(b)(1), or any other transaction requiring disclosure under analogous provisions of state, local or foreign Tax law.

(j) The Company has not ever been a member of an affiliated group filing a consolidated federal income Tax Return or a combined, consolidated, unitary or other affiliated group Tax Return for state, local or foreign Tax purposes.

(k) The Company has timely withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, equityholders of the Company or other Person.

(l) The Company has not been a party to any distribution that the parties to which treated as satisfying the requirements of Section 355 of the Code.

(m) The Company is, and always has been, resident only in its jurisdiction of incorporation for Tax purposes and the Company is not or has not been subject to Tax in any jurisdiction other than its jurisdiction of incorporation. The Company has not, or has ever had, a branch or permanent establishment in a jurisdiction other than its jurisdiction of incorporation.

3.18. Insurance. The Company has made available to Parent a list of, and accurate and complete copies of, all insurance policies and fidelity bonds relating to the assets, business, operations, employees, officers or directors of the Company as of the date of this Agreement, each of which is in full force and effect, together with a claims history. Other than claims made in the ordinary course, there are no pending claims under any such policies or bonds, including any claims for loss or damage to the properties, assets or business of the Company. There is no claim by the Company pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds or in respect of which such underwriters have reserved their rights. All premiums payable under all such policies and bonds have been timely paid and the Company has otherwise complied fully with the terms and conditions of all such policies and bonds. The Company has no Knowledge of any actual or threatened termination of, premium increase with respect to, or material alteration of coverage under, any of such policies or bonds. The Company does not have any self-insurance or co-insurance programs.

3.19. Employee Agreements. Each current and former employee and officer of the Company, and each consultant of the Company involved in the creation of Company Intellectual Property has executed an agreement with the Company (or an agreement with applicable provisions) regarding confidentiality and proprietary information (an "Inventions Assignment Agreement"). No such current or former employee, consultant or officer has excluded works or inventions from his or her assignment of inventions pursuant to such person's Inventions Assignment Agreement. Each such current and former employee has executed an agreement containing a non-solicitation obligation substantially in the form or forms delivered to Parent. The Company is not aware that any of its employees, consultants or officers is in violation of any agreement covered by this Section 3.19.

3.20. Compliance with Laws; Permits. The Company is, and has at all times during the last six (6) years from the date hereof been, in compliance, in all material respects, with, and is not, and has not within the last six (6) years from the date hereof, been under investigation with respect to, given written notice of any violation of, or, to the Knowledge of the Company,

threatened to be charged with any violation of, any applicable Law. The Company has, and has for the past six (6) years from the date hereof had, all material Permits, and have made all necessary filings required under applicable Law, necessary to conduct the business of the Company. The Company is, and has been for the past six (6) years from the date hereof, in compliance in all material respects with each such material Permit. The Company has not received any written notice or other written communication regarding any actual or possible violation of or failure to comply with any term or requirement of any such material Permit or any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any such material Permit. Section 3.20 of the Company Disclosure Schedule sets forth (a) an accurate and complete list of all Permits issued to the Company and (b) an accurate and complete list of all Permits for which the Company has applied or has taken the steps necessary to secure or maintain within the three (3) months prior to the date hereof. Each such Permit has been validly issued or obtained and is, and after the consummation of the transaction contemplated hereby will be, in full force and effect.

3.21. Corporate Documents. The Company Certificate and bylaws of the Company are in the form provided to Parent. The copy of the minute books of the Company provided to the Parent contains minutes of all meetings of directors and stockholders and all actions by written consent without a meeting by the directors and stockholders since the date of incorporation through the date hereof and accurately reflects in all material respects all actions by the directors (and any committee of directors) and stockholders with respect to all transactions referred to in such minutes.

3.22. 83(b) Elections. Each holder of Company Restricted Shares that were subject to vesting as of the date of issuance timely filed an election under Section 83(b) of the Code. A copy of each election made under Section 83(b) of the Code in respect of Company Restricted Shares that has previously been made available to the Company has been made available to Parent.

3.23. Environmental and Safety Laws. To the Company's Knowledge, in all material respects, (a) the Company is and has been in compliance with all Environmental Laws; (b) there has been no release or to the Company's Knowledge threatened release of any pollutant, contaminant or toxic or hazardous material, substance or waste or petroleum or any fraction thereof (each a "Hazardous Substance"), on, upon, into or from any site currently or heretofore owned, leased or otherwise used by the Company; (c) there have been no Hazardous Substances generated by the Company that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any Governmental Authority in the United States; and (d) there are no underground storage tanks located on, no polychlorinated biphenyls ("PCBs") or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by the Company, except for the storage of hazardous waste in compliance with Environmental Laws. The Company has made available to Parent true and complete copies of all material environmental records, reports, notifications, certificates of need, permits, pending permit applications, correspondence, engineering studies and environmental studies or assessments.

3.24. FDA Approvals. The Company possesses all permits, licenses, registrations, certificates, authorizations, orders and approvals from the appropriate federal, state or foreign regulatory authorities necessary to conduct its business, including all such permits, licenses, registrations, certificates, authorizations, orders and approvals required by the U.S. Food and Drug Administration (“FDA”) or any other federal, state or foreign agencies or bodies engaged in the regulation of drugs, pharmaceuticals, medical devices or biohazardous materials. The Company has not received any notice of proceedings relating to the suspension, material modification, revocation or cancellation of any such permit, license, registration, certificate, authorization, order or approval. Neither the Company nor, to the Company’s Knowledge, any officer, employee or agent of the Company has been convicted of any crime or engaged in any conduct that has previously caused or would reasonably be expected to result in (A) disqualification or debarment by the FDA under 21 U.S.C. Sections 335a(a) or (b), or any similar law, rule or regulation of any other Governmental Authorities, (B) debarment, suspension, or exclusion under any Federal Healthcare Programs or by the General Services Administration, or (C) exclusion under 42 U.S.C. Section 1320a-7 or any similar law, rule or regulation of any Governmental Authorities. Neither the Company nor, to the Company’s Knowledge, any of its officers, employees, or to the Knowledge of the Company, any of its contractors or agents is the subject of any pending or threatened investigation by FDA pursuant to its “Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities” policy as stated at 56 Fed. Reg. 46191 (September 10, 1991) (the “FDA Application Integrity Policy”) and any amendments thereto, or by any other similar Governmental Authority pursuant to any similar policy. Neither the Company nor, to the Company’s Knowledge, any of its officers, employees, contractors, and agents has committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for FDA to invoke the FDA Application Integrity Policy or for any similar Governmental Authority to invoke a similar policy. Neither the Company nor, to the Company’s Knowledge, any of its officers, employees, or to the Company’s Knowledge, any of its contractors or agents has made any materially false statements on, or material omissions from, any notifications, applications, approvals, reports and other submissions to FDA or any similar Governmental Authority.

3.25. FDA Regulation. The Company is and has been in compliance in all material respects with all applicable Laws administered or issued by the FDA or any similar Governmental Authority, including the Federal Food, Drug, and Cosmetic Act and all other Laws regarding developing, testing, manufacturing, marketing, distributing or promoting the products of the Company, or complaint handling or adverse event reporting.

3.26. Foreign Corrupt Practices Act. Neither the Company nor any of its directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any “foreign official” (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”)), foreign political party or official thereof or candidate for foreign political office for the purpose of (a) influencing any official act or decision of such official, party or candidate, (b) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Authority, or (c) securing any improper advantage, in the case of (a), (b) and (c) above in order to assist the Company or any of its affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither the Company nor any of its directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation.

3.27. Data Privacy. In connection with its collection, storage, transfer (including any transfer across national borders) and/or use of any Personal Information, the Company is and has been to the Company's Knowledge, in compliance in all material respects with all applicable Laws in all relevant jurisdictions, the Company's privacy policies and the requirements of any contract or codes of conduct to which the Company is a party. The Company has commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. To the extent the Company maintains or transmits protected health information, as defined under 45 C.F.R. § 160.103, the Company is in compliance with the applicable requirements of the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, including all rules and regulations promulgated thereunder. The Company is and has been, to the Company's Knowledge, in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations.

3.28. Takeover Statutes. The Company Board has taken all actions necessary so that the restrictions on take-over bids, equity acquisitions, business combinations and equityholder vote and any other "moratorium", "control share acquisition", "business combination", "fair price" or other similar anti-takeover laws or regulations that are or may purport to be applicable will not apply with respect to or as a result of the Merger or the other transactions contemplated by this Agreement.

3.29. No Brokers. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company or who is or may be entitled to any fee or commission from the Company or any of its Affiliates in connection with the transactions contemplated by this Agreement.

ARTICLE IV.  
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub hereby jointly and severally represent and warrant to the Company as follows, except as otherwise set forth on the Parent Disclosure Schedule, which representations and warranties are, as of the date hereof, and will be, as of the Closing Date, true and correct (except for representations and warranties that by their terms are made only as of a specific date or time, which need only be true and correct as of such date or time):

4.1. Organization. Each of Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as presently conducted and as proposed to be conducted. Each of Parent and Merger Sub is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect on Parent.

4.2. Authorization. Parent and Merger Sub have all requisite corporate power and authority to execute and deliver this Agreement and all agreements contemplated by this Agreement to be executed and delivered by Parent or Merger Sub, as the case may be, pursuant hereto, to consummate the transactions contemplated hereby and thereby and to perform their

obligations hereunder and thereunder. The execution and delivery by Parent and Merger Sub of this Agreement and such other agreements and the consummation by Parent and Merger Sub of the transactions contemplated hereby and thereby have been duly approved by the Parent Board and the board of directors of Merger Sub. No other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize this Agreement and the transactions contemplated hereby (other than the approval of Parent, as the sole stockholder of Merger Sub). This Agreement has been, and such other agreements will be, duly executed and delivered by each of Parent and Merger Sub and is, and such other agreements will be, the legal, valid and binding obligations of Parent and Merger Sub, enforceable against Parent and Merger Sub in accordance with their terms, in each case, except as such enforceability may be limited by (a) bankruptcy, insolvency, moratorium, reorganization or other similar Laws affecting creditors' rights generally, (b) the general principles of equity, regardless of whether asserted in a Proceeding in equity or at Law and (c) to the extent the indemnification provisions contained in the Parent IRA may be limited by applicable federal or state securities laws.

4.3. Governmental Consents and Filings. Assuming the accuracy of the representations made by the Company in Article III and each of the Company Stockholders in their Investor Representation Letters, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local Governmental Authority is required on the part of Parent in connection with the consummation of the transactions contemplated by this Agreement, except for (i) the filing of the Parent Restated Certificate, which will have been filed as of the Closing, (ii) filings pursuant to Regulation D of the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner, and (iii) the filing of the Certificate of Merger.

4.4. No Conflict or Violation. Neither Parent nor Merger Sub is in violation or default: (a) of any provisions of its Organizational Documents, (b) of any Order, (c) under any note, indenture or mortgage, (d) under any Contract to which it is a party or by which it is bound that is required to be listed on Section 4.10 of the Parent Disclosure Schedule, or (e) of any provision of federal or state Law applicable to Parent or Merger Sub, except, in the case of each of clauses (b) and (e), where such violation or default would not, individually or in the aggregate, reasonably be expected to result in a material Liability to Parent or Merger Sub. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a material default under any such provision, instrument, Order, or contract; or (ii) an event which results in the creation of any Encumbrance upon any assets of Parent or Merger Sub or the suspension, revocation, forfeiture, or nonrenewal of any material Permit applicable to Parent or Merger Sub.

4.5. No Prior Merger Sub Operations. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby. Parent is the sole stockholder of Merger Sub.

#### 4.6. Capitalization.

(a) As of the date hereof, the authorized capital stock of Parent consists of:

(i) 133,000,000 shares of Parent Common Stock, 16,126,205 shares of which are issued and outstanding as of the date hereof. All of the outstanding shares of Parent Common Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities Laws. Parent holds no Parent Common Stock in its treasury.

(ii) 108,221,732 shares of Parent Preferred Stock, of which (i) 70,221,732 shares have been designated Series A Preferred Stock, all of which are issued and outstanding immediately as of the date hereof and (ii) 38,000,000 shares have been designated Series B Preferred Stock, 37,620,613 of which are issued or outstanding as of the date hereof. The rights, privileges and preferences of the Parent Preferred Stock are as stated in the Parent Restated Certificate and as provided by the DGCL. Parent holds no Parent Preferred Stock in its treasury.

(b) As of the date hereof, Parent has reserved 16,476,000 shares of Parent Common Stock for issuance to officers, directors, employees and consultants of Parent pursuant to the Parent Plan. Of such reserved shares of Parent Common Stock, options to purchase or stock purchase rights have been granted and are currently outstanding with respect to 8,459,779 shares of Parent Common Stock, 7,088,185 shares of Parent Common Stock have been issued upon the exercise of options granted under the Parent Plan, and 928,036 shares of Parent Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the Parent Plan. Parent has made available to the Company complete and accurate copies of the Parent Plan and forms of agreements approved by the Parent Board for use thereunder.

(c) None of Parent's stock purchase agreements or stock option documents contains a provision for acceleration of vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of such agreement or understanding upon the occurrence of any event or combination of events, including in the case where the Company Plan is not assumed in an acquisition. Parent has never adjusted or amended the exercise price of any stock options previously awarded, whether through amendment, cancellation, replacement grant, repricing, or any other means. Except as set forth in the Parent Restated Certificate, Parent has no obligation (contingent or otherwise) to purchase or redeem any of its capital stock.

(d) Other than Merger Sub, of which Parent is the sole member, Parent does not own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. Parent is not a participant in any joint venture, partnership or similar arrangement.

#### 4.7. Valid Issuance of Shares.

(a) The Parent Series B Preferred Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, have been or will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Parent Investor Agreements, applicable state and federal

securities Laws and Encumbrances created by or imposed by a Company Stockholder . Assuming the accuracy of the representations made by the Company in Article III and each of the Company Stockholders in their Investor Representation Letters and Letters of Transmittal and subject to the filings described in Section 4.3, the Parent Series B Preferred Shares to be issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement will be issued in compliance with all applicable federal and state securities laws, including all applicable provisions of Regulation D of the Securities Act. The Parent Common Stock issuable upon conversion of the Parent Series B Preferred Shares has been duly reserved for issuance, and upon issuance in accordance with the terms of the Parent Restated Certificate, has been or will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Parent Investor Agreements, applicable federal and state securities Laws and Encumbrances created by or imposed by a Company Stockholder. Based in part upon the representations of the Company in Article III and each of the Company Stockholders in their Investor Representation Letters and Letters of Transmittal, and subject to Section 4.3, the Parent Common Stock issuable upon conversion of the Parent Series B Preferred Shares has been or will be issued in compliance with all applicable federal and state securities Laws.

(b) No Disqualification Event is applicable to Parent or, to Parent's Knowledge, any Parent Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii-iv) or (d)(3), is applicable.

(c) Neither Parent, nor any of its officers, directors, employees, agents or stockholders has either directly or indirectly, including, through a broker or finder (i) engaged in any general solicitation, or (ii) published any advertisement in connection with the offer and sale of the Parent Series B Preferred Shares.

4.8. Litigation. There is no Action pending or to Parent's Knowledge, currently threatened in writing (a) against Parent; (b) against any officer, director or employee of Parent arising out of their employment or board relationship with Parent; (c) that questions the validity of this Agreement or the agreements contemplated by this Agreement to which Parent is a party or the right of Parent to enter into them, or to consummate the transactions contemplated hereby or thereby; or (d) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Parent. Neither Parent nor, to Parent's Knowledge, any of its officers, directors or employees is a party or is named as subject to the provisions of any Order (in the case of officers, directors or employees, such as would affect Parent). There is no Action by Parent pending or which Parent intends to initiate. The foregoing includes Actions pending or threatened in writing involving the prior employment of any of Parent's employees, their services provided in connection with Parent's business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

4.9. Intellectual Property. Parent owns or possesses or believes it can acquire on commercially reasonable terms sufficient legal rights to all Parent Intellectual Property and other intellectual property necessary to carry on its business without any known conflict with, or infringement of, the rights of others. To Parent's Knowledge, no Parent Intellectual Property and no technology or process or product candidate developed or proposed to be developed, marketed or sold by Parent infringes or will infringe any Intellectual Property rights of any other Person. Other than with respect to (a) Off-the-Shelf Software Licenses, and (b) agreements with employees

and contractors of Parent entered into on Parent standard form employee proprietary information and invention assignment agreement or consulting agreement, or without material deviation therefrom (“Form Parent Service Provider Agreements”), there are no outstanding options, licenses, agreements, claims, encumbrances or shared ownership interests of any kind relating to Parent Intellectual Property, nor is Parent bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other Person. Parent has not received any communications alleging that Parent has violated, or by conducting its business, would violate any of the patents, trademarks, service marks, tradenames, copyrights, trade secrets, mask works or other proprietary rights or processes of any other Person. Parent has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with Parent’s business. To Parent’s Knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or Persons it currently intends to hire) made prior to their employment by Parent. Each employee and consultant has executed an employee or consulting agreement that assigns to Parent all Intellectual Property rights he or she conceives, makes or invents pursuant to such agreement that are related to Parent’s business as now conducted and as presently proposed to be conducted.

#### 4.10. Agreements; Actions.

(a) Except for this Agreement and the Parent Investor Agreements, as of the date of this Agreement, there are no Contracts to which Parent is a party or by which it is bound that involve (i) obligations (contingent or otherwise) of, or payments to, Parent in excess of \$500,000 on an annual basis, (ii) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from Parent (except for (A) Off-the-Shelf Software Licenses and Form Parent Service Provider Agreements and (B) non-disclosure agreements, evaluation agreements, material transfer agreements and licenses or restricted use provisions that arise out of the purchase of reagents from suppliers or through catalogs, in each case, entered into in the ordinary course of business consistent with past practice, and which are not material, either individually or in the aggregate, to Parent), (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit Parent’s exclusive right to develop, manufacture, assemble, distribute, market or sell its products, (iv) indemnification by Parent with respect to infringements of proprietary rights (other than any agreements entered into in the ordinary course of business consistent with past practice, which are not material, either individually or in the aggregate, to Parent), (v) any employment agreements (except for employment agreements without material deviation from Parent’s standard form offer letters and proprietary information agreement) and consulting agreements (except for consulting agreements without material deviation from Parent’s standard form consulting agreements) which involve payments by Parent in excess of \$200,000 on an annual basis, employee benefit, bonus, pension, profit-sharing, stock option, stock purchase and similar plans and arrangements (but not the individual agreements issued pursuant to such stock option, stock purchase and similar plans and arrangements), (vi) any distributor or sales representative agreement, (vii) any agreement under which Parent is restricted from carrying on its business anywhere in the world, (viii) any agreement for the disposition of a material portion of Parent’s assets (other than for the sale of inventory in the ordinary course of business) or (ix) any agreement for the acquisition by Parent of the business or securities or other ownership interests of another party.

(b) Parent is not a guarantor or indemnitor of any Indebtedness of any other Person.

4.11. Certain Transactions.

(a) Other than (i) standard employee benefits generally made available to all employees, (ii) standard director and officer indemnification agreements approved by the Board of Directors, (iii) the purchase of shares of Parent's capital stock and the issuance of options to purchase shares of Parent Common Stock, in each instance, approved in the written minutes of the Parent Board, and (iv) as otherwise disclosed in Section 4.16(e) of the Company Disclosure Schedule, there are no agreements, understandings or proposed transactions between Parent and any of its officers or their direct reports, directors or consultants, or any Affiliate thereof.

(b) Parent is not indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any Affiliate of Parent or any of the foregoing (each, a "Parent Related Person"), other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses and for other customary employee benefits made generally available to all employees. No Parent Related Person is, directly or indirectly, indebted to Parent or, to Parent's Knowledge, has any (i) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of Parent's customers, suppliers, service providers, joint venture partners, licensees or competitors, (ii) direct or indirect ownership interest in any entity with which Parent is affiliated or with which Parent has a business relationship, or any entity which competes with Parent (other than any ownership of less than two percent (2%) of the outstanding capital stock of publicly traded companies that may compete with Parent); or (iii) financial interest in any material contract with Parent.

4.12. Rights of Registration and Voting Rights. Except as provided in the Parent IRA, Parent is not under any obligation to register under the Securities Act any of its currently outstanding securities or any securities issuable upon exercise or conversion of its currently outstanding securities. To Parent's Knowledge, except as contemplated in the Parent Voting Agreement, no stockholder of Parent has entered into any agreements with respect to the voting of capital shares of Parent.

4.13. Property. The tangible property and assets that Parent owns are free and clear of all Encumbrances, except for Permitted Encumbrances. With respect to the tangible property and assets it leases, Parent is in compliance with such leases and, to its Knowledge, holds a valid leasehold interest free of any Encumbrances other than those of the lessors of such property or assets. Parent does not own, and has not ever owned, any real property.

4.14. Financial Statements. Parent has delivered to the Company its audited financial statements as of December 31, 2017 and for the year ended December 31, 2017 and its unaudited financial statements (including balance sheet and income statement) as of August 31, 2018 (the "Parent Balance Sheet Date") and for the eight-month period ended on the Parent Balance Sheet Date (collectively, the "Parent Financial Statements"). The Parent Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, except that the unaudited Parent Financial Statements may not contain all

footnotes required by GAAP. The Parent Financial Statements fairly present in all material respects the financial condition and operating results of Parent as of the dates, and for the periods, indicated therein, subject in the case of the unaudited Parent Financial Statements to normal year-end audit adjustments. Parent maintains a standard system of accounting established and administered in accordance with GAAP.

4.15. Absence of Changes. Since the Parent Balance Sheet Date through the date hereof, there has not been:

- (a) any change in the assets, liabilities, financial condition or operating results of Parent from that reflected in the Financial Statements, except changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Effect on Parent;
- (b) any damage, destruction or loss, whether or not covered by insurance, that would have a Material Adverse Effect on Parent;
- (c) any waiver or compromise by Parent of a valuable right or of a material debt owed to it;
- (d) any satisfaction or discharge of any Encumbrance or payment of any obligation by Parent, except in the ordinary course of business and the satisfaction or discharge of which would not have a Material Adverse Effect on Parent;
- (e) any resignation or termination of employment of any officer or direct report of an officer of Parent;
- (f) any mortgage, pledge, transfer of a security interest in, or Encumbrance, created by Parent, with respect to any of its material properties or assets, except Permitted Encumbrances;
- (g) any loans or guarantees made by Parent to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;
- (h) any declaration, setting aside or payment or other distribution in respect of any of Parent's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by Parent;
- (i) any sale, assignment or transfer of any Parent Intellectual Property that could reasonably be expected to result in a Material Adverse Effect on Parent;
- (j) to Parent's Knowledge, any other event or condition of any character, other than events affecting the economy or Parent's industry generally, that would reasonably be expected to result in a Material Adverse Effect on Parent; or
- (k) any arrangement or commitment by Parent to do any of the things described in this Section 4.15.

4.16. Employee Matters.

(a) Parent is, and has been at all times since incorporation, in compliance in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment, including those related to wages, hours, worker classification and collective bargaining. Parent has, at all times since incorporation, withheld and paid to the appropriate Governmental Authority or is holding for payment not yet due to such Governmental Authority all amounts required to be withheld from employees of Parent and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing.

(b) To Parent's Knowledge, no officer intends to terminate employment with Parent or is otherwise likely to become unavailable to continue as an officer, nor does Parent have a present intention to terminate the employment of any of the foregoing. The employment of each employee of Parent is terminable at the will of Parent. Except as set forth in Section 4.16(b) of the Disclosure Schedule, Parent has no policy, practice, plan or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

(c) Parent has not made any representations regarding equity incentives to any officer, employee, director or consultant that are inconsistent with the share amounts and terms set forth in the minutes of meetings of Parent's Board of Directors.

(d) Each former officer whose employment was terminated by Parent has entered into an agreement with Parent providing for the full release of any claims against Parent or any related party arising out of such employment.

(e) Section 4.16(e) of the Disclosure Schedule sets forth, as of the date hereof, each employee benefit plan maintained, established or sponsored by Parent, or which Parent participates in or contributes to, which is subject to ERISA. Parent has made all required contributions and has no liability under any such employee benefit plan for post-termination or retiree payments and benefits, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied in all material respects with all applicable Laws for any such employee benefit plan.

(f) Parent is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to Parent's Knowledge, has sought to represent any of the employees, representatives or agents of Parent. There is no strike or other labor dispute involving Parent pending, or to Parent's Knowledge, threatened, which would be material to Parent, nor is Parent aware of any labor organization activity involving its employees.

(g) To Parent's Knowledge, none of the officers or their direct reports or directors of Parent has been (a) subject to voluntary or involuntary petition under the federal bankruptcy laws or any state insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his business or property; (b) convicted in a criminal proceeding or named as

a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses); (c) subject to any order, judgment or decree (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him from engaging, or otherwise imposing limits or conditions on his engagement in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (d) found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

4.17. Tax Matters. Parent has filed all material Tax Returns required to have been filed by it and paid all material Taxes required to be paid by it (whether or not shown on such Tax Returns). Parent has not elected pursuant to the Code to be treated as a Subchapter S corporation or a collapsible corporation pursuant to Section 1362(a) or Section 341(f) of the Code, nor has it made any other material elections pursuant to the Code (other than elections that relate solely to methods of accounting, depreciation or amortization), that would have a Material Adverse Effect on Parent. Parent is not a party to any contract and/or has not granted any compensation, equity or award that could reasonably be deemed deferred compensation subject to the additional twenty percent (20%) Tax under Section 409A of the Code, and neither Parent nor, to Parent's Knowledge, any person that is a member of the same controlled group as Parent or under common control with Parent within the meaning of Section 414 of the Code, has any liability or obligation to make any payments or to issue any equity award or bonus that could reasonably be deemed deferred compensation subject to the additional twenty percent (20%) Tax under Section 409A of the Code.

4.18. Insurance. Parent has, as directed by the Parent Board, and in the normal course, obtained fire and casualty insurance policies with extended coverage, sufficient in amount (subject to reasonable deductions) to allow it to replace any of its properties that might be damaged or destroyed.

4.19. Employee Agreements. Each current and former employee and officer of Parent, and each consultant of Parent involved in the creation of Parent Intellectual Property has executed an Inventions Assignment Agreement with Parent. No such current or former employee, consultant or officer has excluded works or inventions from his or her assignment of inventions pursuant to such person's Inventions Assignment Agreement. Each such current and former employee has executed an agreement containing a non-solicitation obligation substantially in the form or forms delivered to the Company. Parent is not aware that any of its employees, consultants or officers is in violation of any agreement covered by this Section 4.19.

4.20. Compliance with Laws; Permits. Parent is, and has been at all times since incorporation, in compliance, in all material respects, with, and is not, and has not been since incorporation, under investigation with respect to, given written notice of any violation of, or, to the Knowledge of Parent, threatened to be charged with any violation of, any applicable Law. Parent has all material Permits necessary for the conduct of its business. Parent is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

4.21. 83(b) Elections. To Parent's Knowledge, all elections and notices under Section 83(b) of the Code have been or will be timely filed by all individuals who have acquired unvested shares of Parent Common Stock.

4.22. Environmental and Safety Laws. To Parent's Knowledge, in all material respects, (a) Parent is and has been in compliance with all Environmental Laws; (b) there has been no release or to Parent's Knowledge threatened release of any Hazardous Substance, on, upon, into or from any site currently or heretofore owned, leased or otherwise used by Parent; (c) there have been no Hazardous Substances generated by Parent that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any Governmental Authority in the United States; and (d) there are no underground storage tanks located on, no PCBs or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act, as amended, stored on, any site owned or operated by Parent, except for the storage of hazardous waste in compliance with Environmental Laws.

4.24. FDA Approvals. Parent possesses all permits, licenses, registrations, certificates, authorizations, orders and approvals from the appropriate federal, state or foreign regulatory authorities necessary to conduct its business, including all such permits, licenses, registrations, certificates, authorizations, orders and approvals required by the FDA or any other federal, state or foreign agencies or bodies engaged in the regulation of drugs, pharmaceuticals, medical devices or biohazardous materials. Parent has not received any notice of proceedings relating to the suspension, material modification, revocation or cancellation of any such permit, license, registration, certificate, authorization, order or approval. Neither Parent nor, to Parent's Knowledge, any officer, employee or agent of Parent has been convicted of any crime or engaged in any conduct that has previously caused or would reasonably be expected to result in (A) disqualification or debarment by the FDA under 21 U.S.C. Sections 335a(a) or (b), or any similar law, rule or regulation of any other Governmental Authorities, (B) debarment, suspension, or exclusion under any Federal Healthcare Programs or by the General Services Administration, or (C) exclusion under 42 U.S.C. Section 1320a-7 or any similar law, rule or regulation of any Governmental Authorities. Neither Parent nor, to Parent's Knowledge, any of its officers, employees, or to the Knowledge of Parent, any of its contractors or agents is the subject of any pending or threatened investigation by FDA pursuant to the FDA Application Integrity Policy and any amendments thereto, or by any other similar Governmental Authority pursuant to any similar policy. Neither Parent nor, to Parent's Knowledge, any of its officers, employees, contractors, and agents has committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for FDA to invoke the FDA Application Integrity Policy or for any similar Governmental Authority to invoke a similar policy. Neither Parent nor, to Parent's Knowledge, any of its officers, employees, or to Parent's Knowledge, any of its contractors or agents has made any materially false statements on, or material omissions from, any notifications, applications, approvals, reports and other submissions to FDA or any similar Governmental Authority.

4.25. FDA Regulation. Parent is and has been in compliance in all material respects with all applicable Laws administered or issued by the FDA or any similar Governmental Authority, including the Federal Food, Drug, and Cosmetic Act and all other Laws regarding developing, testing, manufacturing, marketing, distributing or promoting the products of Parent, or complaint handling or adverse event reporting.

4.26. Foreign Corrupt Practices Act. Neither Parent nor any of its directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any “foreign official” (as such term is defined in the FCPA), foreign political party or official thereof or candidate for foreign political office for the purpose of (a) influencing any official act or decision of such official, party or candidate, (b) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Authority, or (c) securing any improper advantage, in the case of (a), (b) and (c) above in order to assist Parent or any of its affiliates in obtaining or retaining business for or with, or directing business to, any person. Neither Parent nor any of its directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation.

4.27. Data Privacy. In connection with its collection, storage, transfer (including any transfer across national borders) and/or use of Personal Information, Parent is and has been, to Parent’s Knowledge, in compliance in all material respects with all applicable Laws in all relevant jurisdictions, Parent’s privacy policies and the requirements of any contract or codes of conduct to which Parent is a party. Parent has commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. To the extent Parent maintains or transmits protected health information, as defined under 45 C.F.R. § 160.103, Parent is in compliance with the applicable requirements of the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, including all rules and regulations promulgated thereunder. Parent is and has been, to Parent’s Knowledge, in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations.

4.28. No Brokers. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Parent or who is or may be entitled to any fee or commission from Parent or any of its Affiliates in connection with the transactions contemplated by this Agreement.

## ARTICLE V. COVENANTS

The Company, the Stockholders’ Representative, Parent and Merger Sub each covenant and agree as follows:

5.1. Conduct of the Company. From and after the date of this Agreement until the earlier of (A) the termination of this Agreement in accordance with the provisions of Section 7.1 or (B) the Effective Time (such period, the “Interim Period”), except as expressly contemplated by this Agreement, the Company shall conduct its business in the ordinary course consistent with past practice and use its commercially reasonable efforts to (i) preserve intact its present business organization, (ii) maintain in effect all of its foreign, federal, state and local Permits, (iii) keep available the services of the officers and employees of the Company, and (iv) maintain satisfactory relationships with the lenders, suppliers, licensors and licensees of the Company and others having material business relationships with the Company. Without limiting the generality of the foregoing, during the Interim Period, except as expressly contemplated by this Agreement, set forth on Section 5.1 of the Company Disclosure Schedule or pursuant to the written consent of Parent, the Company shall not:

- (a) amend its certificate of incorporation, bylaws or other Organizational Documents (whether by merger, consolidation or otherwise);
- (b) declare, set aside or pay any dividend or other distribution (whether in cash, stock, debt or property or any combination thereof) in respect of any equity securities of the Company, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any equity securities of the Company;
- (c) (i) issue, transfer, deliver, sell, pledge or otherwise encumber any shares of any equity securities of the Company, or (ii) amend any term of any equity securities of the Company (whether by merger, consolidation or otherwise) including an amendment to provide for acceleration of vesting as a result of the Merger or a termination of employment or service related to the Merger, other than shares of equity securities issued upon the conversion of convertible debt, that is outstanding as of the date hereof and set forth on Section 5.1(c) of the Company Disclosure Schedule, in accordance with its terms;
- (d) make any expenditures of more than \$5,000 or incur any obligations or liabilities in respect thereof, other than expenses in respect of reasonable lab supplies, rent, utilities, facility maintenance, postage, phone, mobile phone, reasonable office supplies, internet services, existing accounting consultants, compensation and benefits for employees of the Company and contract research organizations pursuant to outstanding purchase orders set forth on Section 5.1(d) of the Company Disclosure Schedule, in each case in the ordinary course of business consistent with past practice;
- (e) make any capital expenditures or incur any obligations or liabilities in respect thereof;
- (f) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, securities, properties, interests or businesses, other than inventory and supplies in the ordinary course of business consistent with past practice;
- (g) sell, lease, license or otherwise transfer, or create, incur, assume or suffer to exist any Encumbrance (other than Permitted Encumbrances) on, any of the assets, securities, properties, interests or businesses of the Company;
- (h) make any loans, advances or capital contributions to, or investments in, any other Person, other than travel advances and other advances of business expenses to employees made in the ordinary course of business consistent with past practice;
- (i) make any payments to any Company Related Person (other than salary payments or expense reimbursements made in the ordinary course of business consistent with past practice);
- (j) create, incur, assume or otherwise become liable with respect to any Indebtedness;

(k) modify, amend, cancel, terminate or waive any rights under any Material Contract (including the [\*\*\*], the TRV Note and the CFFT Award Agreement), enter into any Contract that would have been a Material Contract had it been entered into prior to the date of this Agreement, or otherwise waive, release or assign any material rights, claims or benefits of the Company;

(l) other than as required by applicable Law: (i) grant or increase any form of compensation or benefits payable to any director, officer, advisor, consultant, or employee of the Company or any of its ERISA Affiliates, including pursuant to any Employee Plan; (ii) adopt, enter into, modify or terminate any Employee Plan; (iii) accelerate the vesting or payment of any compensation or benefits under any Employee Plan; (iv) grant any equity or equity-linked awards or other bonus, commission or other incentive compensation to any director, officer, advisor, consultant or employee of the Company or any of its ERISA Affiliates or (v) hire, promote or terminate any employee, officer, director or consultant of the Company or any of its ERISA Affiliates or materially change the management structure of the Company;

(m) fail to maintain, or allow to lapse, dispose of or abandon, including by failure to pay the required fees in any jurisdiction, any Company Intellectual Property, or grant permission to enter into the public domain any trade secrets included in the Company Intellectual Property;

(n) change the Company's methods of accounting or accounting practices, except as required by concurrent changes in GAAP as agreed to by the Company's independent public accountants;

(o) commence, settle, or offer or propose to settle, (i) any Action involving or against the Company, (ii) any equityholder litigation or dispute against the Company or any of its officers or directors or (iii) any Action that relates to the transactions contemplated by this Agreement;

(p) (i) make or change any Tax election, settle or compromise any claim, notice, audit report or assessment in respect of Taxes, (ii) enter into any Tax allocation agreement, Tax sharing agreement, Tax indemnity agreement, pre-filing agreement, advance pricing agreement, cost sharing agreement or closing agreement relating to any Tax, (iii) file any federal or state income Tax Return or any other material Tax Return, (iv) amend any Tax Return, (v) surrender or forfeit any right to claim a Tax refund or (vi) consent to any extension or waiver of the statute of limitations period applicable to any Tax claim or assessment;

(q) form or acquire any Subsidiaries;

(r) liquidate, dissolve or effect a recapitalization or reorganization in any form of transaction; or

(s) authorize or agree, resolve or commit to do any of the foregoing.

5.2. No Solicitation. From and after the time that the Requisite Stockholder Approval is obtained until the earlier of the Effective Time or the termination of this Agreement in accordance with its terms, the Company shall not, and shall cause each of its Representatives not to, directly or indirectly, (a) solicit, initiate, facilitate, support, seek, induce, entertain or knowingly encourage, or take any action to solicit, initiate, facilitate, support, seek, induce, entertain or knowingly encourage any inquiries, announcements or communications relating to, or the making of any submission, proposal or offer that constitutes or that would reasonably be expected to lead to, an Acquisition Proposal, (b) enter into, participate in, maintain or continue any discussions or negotiations relating to, any Acquisition Proposal with any Person other than Parent, (c) furnish to any Person other than Parent any non-public information that would reasonably be expected to be used for the purposes of formulating any inquiry, expression of interest, proposal or offer relating to an Acquisition Proposal, or take any other action regarding any inquiry, expression of interest, proposal or offer that constitutes, or would reasonably be expected to lead to, an Acquisition Proposal, (d) accept any Acquisition Proposal or enter into any agreement, arrangement or understanding (whether written or oral) providing for the consummation of any transaction contemplated by any Acquisition Proposal or otherwise relating to any Acquisition Proposal or (e) submit any Acquisition Proposal or any matter related thereto to the vote of the Company Stockholders.

5.3. Further Assurances. Upon the terms and subject to the conditions contained herein, the parties agree (a) to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, (b) to execute any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out any of the transactions contemplated hereunder or thereunder, and (c) to cooperate with each other in connection with the foregoing. Without limiting the foregoing, the parties agree to use their respective commercially reasonable efforts (A) to obtain all necessary waivers, consents and approvals necessary or desirable for the consummation of the transactions contemplated by this Agreement, provided that none of Parent, the Stockholders' Representative, Merger Sub or the Company, nor any of their respective Affiliates, shall be required to make any payments, commence litigation or agree to modifications of any terms in order to obtain any such waivers, consents or approvals; (B) to obtain all necessary Permits as are required to be obtained under applicable Law; (C) to give all notices to, and make all registrations and filings with, third parties, including Governmental Authorities; and (D) to fulfill all conditions of the other party set forth in Article VI. The Company shall provide Parent with a reasonable opportunity to approve (which approval shall not be unreasonably withheld, conditioned or delayed) any waivers, consents, approvals, notices, Orders, registrations and filings to be made, given or used by the Company and shall, as promptly as reasonably practicable, deliver to Parent a copy of any such registration or filing made, any such notice given or any such waiver, consent, approval or Order obtained by the Company prior to the Closing Date as Parent may reasonably request.

#### 5.4. Tax Matters.

(a) 2017 Tax Filings. The Company shall use its commercially reasonable efforts to prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company relating to the twelve (12) months ended on December 31, 2017 prior to the Closing Date. At least five (5) Business Days prior to filing any such Tax Return, the Company shall submit a copy of such Tax Return to Parent for Parent's review and comment, and the Company shall take into account any reasonable comments Parent provides with respect to such Tax Return.

(b) Tax Filings. The Stockholders' Representative shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company relating to all periods ending on or prior to the Closing Date. At least ten (10) Business Days prior to filing any such Tax Return, the Stockholders' Representative shall submit a copy of such Tax Return to Parent for Parent's review and approval.

(c) Indemnification. In accordance with and subject to the terms, conditions, and limitations of Article VIII, the Company Stockholders shall indemnify the Parent Indemnified Parties, severally (based on each Company Stockholder's Pro Rata Share), and hold them harmless from and against (i) all Losses with respect to Taxes of the Company for all taxable periods ending on or before the Closing Date; (ii) with respect to all straddle periods, all Losses with respect to Taxes imposed on the Surviving Corporation that are allocable to the portion of a straddle period ending on (and including) the Closing Date; and (iii) all Losses with respect to any Taxes of any Person (other than the Surviving Corporation) for which the Surviving Corporation is liable, pursuant to an arrangement or agreement entered into by the Company on or prior to the Closing Date, as a transferee or successor, by contract, or otherwise. For purposes of this Agreement, the Company Stockholders' indemnification obligations under this Section 5.4(c) shall be deemed to be indemnification obligations under Section 8.2(a).

(d) Transfer Taxes. All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate transfer Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne fifty percent by the Company Stockholders and fifty percent by Parent.

(e) Reorganization. After the Closing, Parent (i) shall not take any action that would reasonably be likely to cause the Merger to fail to meet the "continuity of business enterprise" requirement applicable to reorganizations under Section 368(a)(2)(E) of the Code and (ii) shall, except to the extent addressed by clause (i) of this Section 5.4(e), use commercially reasonable efforts not to take any other action that would reasonably be expected to disqualify the Merger from qualification as a reorganization under Section 368(a)(2)(E) of the Code; provided, that, notwithstanding the foregoing, in no event shall Parent or the Surviving Corporation be required or obligated to issue Parent Series B Preferred Shares (or any other shares of capital stock) to Company Stockholder Indemnified Parties in connection with the satisfaction of any indemnification obligations of Parent or the Surviving Corporation under Article VIII.

#### 5.5. Indemnification and Insurance.

(a) If the Merger is consummated, then until the sixth (6<sup>th</sup>) anniversary of the Closing Date, Parent will, to the fullest extent permitted by Law, cause the Surviving Corporation to fulfill and honor in all respects the obligations of the Company to its present and former directors and officers determined as of immediately prior to the Effective Time (the "Company Indemnified Parties") pursuant to the certificate of incorporation or the bylaws of the Company or any indemnification agreements with the Company identified on Section 5.5(a) of the Company Disclosure Schedule, in each case, in effect as of the date of this Agreement (the "Company Indemnification Provisions"), with respect to claims arising out of acts or omissions occurring at or prior to the Effective Time that are asserted after the Effective Time; provided that Parent's and the Surviving Corporation's obligations under this Section 5.5 shall not apply to any claim based on a claim for indemnification made by a Parent Indemnified Party pursuant to Article VIII.

(b) Prior to the Effective Time, the Company shall purchase tail insurance coverage (the “Tail Insurance Coverage”) for the Company Indemnified Parties in a form reasonably satisfactory to the Company and Parent, which shall provide the Company Indemnified Parties with coverage for six (6) years following the Closing Date in an amount not less than the existing coverage and that shall have other terms not materially less favorable to the insured persons than the directors’ and officers’ liability insurance coverage maintained by the Company as of the date of this Agreement. Parent shall cause the Surviving Corporation to maintain the Tail Insurance Coverage in full force and effect and continue to honor the obligations thereunder until the sixth (6<sup>th</sup>) anniversary of the Closing Date.

(c) The provisions of this Section 5.5 shall survive the Closing and are intended to be for the benefit of, and enforceable by, the Company Indemnified Parties, and shall be binding on all successors and assigns of the Surviving Corporation and Parent. In the event that Parent or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of Parent or the Surviving Corporation, as the case may be, assume the obligations set forth in this Section 5.5.

#### 5.6. Access and Information.

(a) During the Interim Period, the Company shall (i) give Parent and its Representatives reasonable access to the offices, properties, books and records of the Company, upon the reasonable request of Parent, (ii) furnish to Parent and its Representatives such financial and operating data, information related to Company Intellectual Property and other information relating to the Company as such Persons may reasonably request and (iii) instruct the Company’s Representatives to cooperate with Parent in its investigation of the Company. Any investigation pursuant to this Section 5.6(a) shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Company.

(b) Without limiting the generality of the foregoing, during the Interim Period, the Company shall permit Parent and its Representatives to contact the Company’s accountants, auditors (including PwC) and employees, and the Company shall, and shall use its commercially reasonable efforts to cause such accountants, auditors and employees to, discuss, reasonably cooperate and provide all material information, documentation, data and materials (whether in electronic form or otherwise) relating to the Company that is in the control or possession of the Company or its Affiliates or Representatives as Parent may reasonably request, including any information that is reasonably required for the preparation of financial statements of Parent that include financial and operating data relating to the Company; provided that such discussions, cooperation and provision do not interfere unreasonably with the conduct of the business of the Company.

(c) Notwithstanding anything herein to the contrary in this Section 5.6, no access or examination contemplated by this Section 5.6 shall be permitted to the extent that it would require the Company or its Subsidiaries to waive the attorney-client privilege or attorney work product privilege, or violate any applicable Law; provided, that the Company (i) shall be entitled to withhold only such information that may not be provided without causing such violation or waiver, (ii) shall provide to Parent all related information that may be provided without causing such violation or waiver (including, to the extent permitted, redacted versions of any such information), and (iii) shall enter into such effective and appropriate joint-defense agreements or other protective arrangements as may be reasonably requested by Parent in order that all such information may be provided to Parent without causing such violation or waiver.

5.7. Confidentiality; Public Announcements.

(a) Parent and the Company hereby acknowledge and agree to continue to be bound by the Confidentiality Agreement dated as of August 31, 2018, by and between Parent and the Company (the "Confidentiality Agreement").

(b) Parent and the Company agree that a joint press release will be issued on the date hereof, or on another mutually agreed upon date, in a form mutually agreed upon by Parent and the Company (the "Signing Press Release"). Other than the Signing Press Release, no party hereto shall, and each such party shall cause each of its respective Representatives not to, directly or indirectly, issue any press release or other public statement relating to the terms of this Agreement or the transactions contemplated hereby or use the other party's name or refer to the other party directly or indirectly in connection with such party's relationship with the other party in any media interview, advertisement, news release, press release or professional or trade publication, or in any print media, whether or not in response to an inquiry, without the prior written approval of the other party, unless required by applicable Law (including the rules or regulations of any securities exchange).

5.8. Employee Matters.

(a) Promptly following the date hereof, Parent shall provide each of the Key Employees with offer letters (each, an "Offer Letter").

(b) For a period of one year following the Closing Date, Parent shall provide or shall cause to be provided to each Continuing Employee who remains employed by Parent or its Subsidiaries (including, following the Closing, the Company) a base salary that is substantially similar to his or her base salary prior to Closing. For a period of at least one year following the Closing Date, Parent shall provide, or shall cause to be provided, to each Continuing Employee whose employment with the Company is terminated by the Company without Cause or who resigns with Good Reason with the severance benefits set forth on Section 5.8(b) of the Parent Disclosure Schedule.

(c) Unless otherwise requested by Parent in writing no later than two (2) Business Days prior to the Closing Date, effective as of the day immediately preceding the Closing Date, the Company shall terminate any Employee Plan intended to include a Code Section 401(k) arrangement. Unless Parent provides such written notice to the Company, no later than two (2) Business Days prior to the Closing Date, the Company shall provide Parent with evidence that such Employee Plan(s) have been terminated (effective as of the day immediately preceding the Closing Date) pursuant to resolutions of the Company's Board of Directors. The form and substance of such resolutions shall be subject to the reasonable review and approval by Parent. The Company also shall take such other actions in furtherance of terminating such Employee Plan(s) prior to the Closing Date as Parent may reasonably require.

(d) Nothing contained in this Section 5.8 shall, or shall be construed as to: (i) alter or limit Parent or the Company's ability to amend, modify or terminate any particular Employee Plan, program, agreement or arrangement or constitute an amendment or modification of any particular Employee Plan, program, agreement or arrangement; (ii) confer upon any current or former employee of the Company any right to employment or continued employment for any period of time by reason of this Agreement; (iii) prevent or restrict in any way the right of Parent to terminate, reassign, promote or demote any employee, independent contractor, director or other service provider of the Company (or to cause any of the foregoing actions) at any time following the Closing, or to change (or cause the change of) the title, powers, duties, responsibilities, functions, locations, salaries, other compensation or terms or conditions of employment or service of any such service providers at any time following the Closing; or (iv) confer upon any individual (including employees, retirees, or dependents or beneficiaries of employees or retirees) any right as a third-party beneficiary of this Agreement.

5.9. 280G Matters. Promptly following the date of this Agreement, and in any event within five (5) Business Days following the execution of this Agreement, the Company shall (a) obtain and deliver to Parent, prior to the initiation of the Company Stockholder approval procedure under clause (b) below, from each Person who is, with respect to the Company, a "disqualified individual" (within the meaning of Section 280G of the Code) as of immediately prior to the initiation of such Company Stockholder approval (each, a "Disqualified Individual"), and who might otherwise have, receive or have the right or entitlement to receive a "parachute payment" (within the meaning of Section 280G of the Code), a waiver (a "Parachute Payment Waiver"), of such Disqualified Individual's rights to all such payments and/or benefits applicable to such Disqualified Individual (the "Waived Parachute Payments") so that all remaining payments and/or benefits applicable to such Disqualified Individual shall not be deemed to be "excess parachute payments" (within the meaning of Section 280G of the Code) and (c) submit to the Company Stockholders for approval (in a manner satisfactory to Parent) by such number of Company Stockholders in a manner that meets the requirements of Section 280G(b)(5)(B) of the Code, any payments and/or benefits that Parent and the Company reasonably determine may separately or in the aggregate, constitute "parachute payments" (within the meaning of Section 280G of the Code), such that such payments and benefits shall not be deemed to be "parachute payments" under Section 280G of the Code (the foregoing actions, a "280G Vote"). As soon as practicable following the date of this Agreement, if a 280G Vote is required, the Company shall deliver to Parent evidence reasonably satisfactory to Parent, (i) that a 280G Vote was solicited in conformance with Section 280G of the Code, and the requisite stockholder approval was obtained with respect to any payments and/or benefits that were subject to the Company stockholder vote (the "Section 280G Approval") or (ii) that the Section 280G Approval was not obtained and as a consequence, pursuant to the Parachute Payment Waiver, such "parachute payments" shall not be made or provided. The form of the Parachute Payment Waiver, the disclosure statement, any other materials to be submitted to the Company Stockholders in connection with the Section 280G Approval and the calculations related to the foregoing (the "Section 280G Soliciting Materials") shall be subject to advance review and approval by Parent, which approval shall not be unreasonably withheld, conditioned or delayed.

5.10. Securities Act Compliance.

(a) The Parent Series B Preferred Shares to be issued pursuant to this Agreement will not be registered under the Securities Act in reliance on the exemptions from the registration requirements of Section 5 of the Securities Act set forth in Section 4(a)(2) thereof.

(b) Immediately following the execution and delivery of this Agreement, the Company shall use commercially reasonable efforts to seek to obtain the Written Consent duly executed by Company Stockholders necessary to obtain the Requisite Stockholder Approval. Promptly following receipt of the Written Consent evidencing the obtainment of the Requisite Stockholder Approval, the Company shall cause its corporate Secretary to deliver a copy of the Written Consent to Parent. Promptly (and in any event within five (5) Business Days) following receipt by the Company of the Requisite Stockholder Approval pursuant to the Written Consent, the Company shall deliver an information statement (the "Information Statement"), in form and substance reasonably acceptable to Parent, to the Company Stockholders in compliance with Sections 228(e) and 262 of the DGCL. The Information Statement shall (i) provide the requisite notice of appraisal and dissenters' rights under the DGCL and (ii) include an Investor Representation Letter in the form attached hereto as Exhibit F (each, an "Investor Representation Letter"). The Company will give Parent and its Representatives reasonable opportunity to review and comment on the Information Statement and the Company will incorporate any reasonable comments that Parent or its Representatives have made with respect to the Information Statement.

(c) The Company will use its commercially reasonable efforts to obtain a duly executed Investor Representation Letter from each Company Stockholder prior to the Closing Date, and shall provide copies of all such executed Investor Representation Letters to Parent as soon as practicable following receipt thereof.

5.11. Book-Entry; Legends.

(a) Notwithstanding anything else to the contrary in this Agreement, all Parent Series B Preferred Shares issued to Stock Converting Holders pursuant to this Agreement may be issued in uncertificated book-entry form (unless otherwise determined by Parent in its sole discretion).

(b) In addition to any legend imposed by applicable state securities Laws or by any Contract which continues in effect after the Effective Time (including the Parent Investor Agreements), the book entries or certificates representing the Parent Series B Preferred Shares to be issued pursuant to this Agreement shall bear a restrictive legend (and stop transfer orders shall be placed against the transfer thereof with Parent's transfer agent), stating substantially as follows:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO (1) RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD OF UP TO ONE HUNDRED EIGHTY (180) DAYS IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN AN INVESTORS' RIGHTS AGREEMENT, AND (2) VOTING RESTRICTIONS AS SET FORTH IN A VOTING AGREEMENT AMONG THE COMPANY AND THE ORIGINAL HOLDERS OF THESE SHARES, COPIES OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

(c) In addition to the legend set forth in Section 5.11(b) and any legend imposed by applicable state securities Laws or by any Contract which continues in effect after the Effective Time (including the Parent Investor Agreements), the book entries or certificates representing the Parent Series B Preferred Shares constituting the Roche Holdback Amount and the Indemnification Holdback Amount to be issued pursuant to this Agreement shall bear a restrictive legend (and stop transfer orders shall be placed against the transfer thereof with Parent's transfer agent), stating substantially as follows:

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO AN AGREEMENT THAT SUBJECTS ALL OR A PORTION OF SUCH SHARES TO POSSIBLE FORFEITURE AND MAY NOT BE TRANSFERRED WITHOUT THE EXPRESS INSTRUCTION OF THE COMPANY. A COPY OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

5.12. Company Preferred Stock Conversion. The Company shall effect a conversion of all Company Preferred Stock into Company Common Stock effective immediately prior to, and conditioned upon, the consummation of the Merger and the Effective Time in accordance with Article Fourth, Section B(5.1) of the Company Certificate (the "Preferred Stock Conversion").

5.13. Termination of Company Investor Agreements. The Company shall cause any stockholders agreements, voting agreements, registration rights agreements, co-sale agreements and any other similar Contracts between the Company and any holders of Company Capital Stock, including any such Contract granting any Person investor rights, rights of first refusal, registration rights, voting rights, access rights or director designation rights (including the Company Investor Agreements), to be terminated immediately prior to the Effective Time, without any liability being imposed on the part of Parent or the Surviving Corporation.

ARTICLE VI.  
CONDITIONS TO CLOSING

6.1. Conditions to Obligations of the Company. The obligations of the Company to consummate transactions provided for hereby are subject to the satisfaction (or waiver by the Company), at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. Each of (i) the Parent Fundamental Representations shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for Parent Fundamental Representations that speak as of a particular date, which shall be true and correct in all respects as of such date), and (ii) the other representations and warranties made by Parent and Merger Sub in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for representations and warranties that speak as of a particular date, which shall be true and correct in all material respects as of such date), in the case of this clause (ii), without giving effect to any Material Adverse Effect or other materiality qualifications in such representations and warranties.

(b) Covenants. Each of the covenants and obligations that Parent and Merger Sub is required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

(c) Material Adverse Effect on Parent. Since the date of this Agreement, there shall not have occurred and be continuing a Material Adverse Effect on Parent.

(d) No Actions or Orders. No Action, inquiry or other Proceeding by any Governmental Authority or other Person shall have been instituted or, with respect to any Governmental Authority, threatened, which seeks to restrain, enjoin, prevent the consummation of the transactions contemplated by this Agreement or which questions the validity or legality of the transactions contemplated hereby or thereby.

(e) Other Deliveries. Parent shall have delivered (or cause to be delivered) to the Company each of the following:

(i) a certificate executed on behalf of Parent by its chief executive officer containing the representation and warranty of Parent that the conditions set forth in Sections 6.1(a), 6.1(b) and 6.1(c) have been duly satisfied; and

(ii) a certificate executed on behalf of Parent by its chief executive officer certifying that attached thereto is a true and complete copy of the Restated Certificate filed with the Secretary of State of Delaware on or prior to the Closing, which shall continue to be in full force and effect as of the Closing.

6.2. Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to consummate the transactions provided for hereby are subject to the satisfaction (or waiver by Parent), at or prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. Each of (i) the Company Fundamental Representations shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for Company Fundamental Representations that speak as of a particular date, which shall be true and correct in all respects as of such date), and (ii) the other representations and warranties made by the Company in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as if made on the Closing Date (except for representations and warranties that speak as of a particular date, which shall be true and correct in all material respects as of such date), in the case of this clause (ii), without giving effect to any Material Adverse Effect or other materiality qualifications in such representations and warranties.

(b) Covenants. Each of the covenants and obligations that the Company is required to comply with or to perform at or prior to the Closing shall have been complied with and performed in all material respects.

(c) Material Adverse Effect on the Company. Since the date of this Agreement, there shall not have occurred and be continuing a Material Adverse Effect on the Company.

(d) No Actions or Orders. No Action, inquiry or other Proceeding by any Governmental Authority or other Person shall have been instituted or, with respect to any Governmental Authority, threatened, which seeks to restrain, enjoin, prevent the consummation of the transactions contemplated by this Agreement or which questions the validity or legality of the transactions contemplated hereby or thereby.

(e) Key Employees. Prior to the Closing, each of the Key Employees shall have delivered a duly executed Offer Letter to Parent and, as of immediately prior to the Closing, each of the Key Employees shall remain employed by the Company and shall not have evidenced any intention to terminate employment with the Company following the Closing (other than due to death, disability, or other involuntary reasons).

(f) Preferred Stock Conversion. The Preferred Stock Conversion shall have been consummated.

(g) 280G Waivers. If a 280G Vote is required under Section 5.9 hereof, the Company shall have delivered to Parent (i) a Parachute Payment Waiver from each Person that is eligible to receive a payment that may constitute a “parachute payment” under Section 280G of the Code prior to soliciting the Section 280G Approval and (ii) evidence satisfactory to Parent that either (i) the 280G Vote required pursuant to Section 5.9 was solicited in conformity with Section 280G(b)(5)(B) of the Code and the Section 280G Approval was obtained with respect to any payments and/or benefits that were subject to the 280G Vote or (ii) the Section 280G Approval was not obtained and as a consequence, that the Waived Parachute Payments shall not be made or provided, pursuant to the Parachute Payment Waivers which were executed by the Disqualified Individuals in accordance with Section 5.9.

(h) Other Deliveries. The Company shall have delivered (or cause to be delivered) to Parent and Merger Sub each of the following:

(i) a certificate executed on behalf of the Company by its chief executive officer containing the representation and warranty of the Company that the conditions set forth in Sections 6.2(a), 6.2(b) and 6.2(c) have been duly satisfied;

(ii) the Written Consent executed by (A) Company Stockholders representing not less than 93% of the number of shares of Company Capital Stock outstanding as of immediately prior to the Effective Time (on an as-converted to Company Common Stock basis) and (B) all directors and officers of the Company, and in all cases evidencing the Requisite Stockholder Approval;

(iii) duly completed and executed Investor Representation Letters from Company Stockholders representing not less than 93% of the number of shares of Company Capital Stock outstanding as of immediately prior to the Effective Time (on an as-converted to Company Common Stock basis);

(iv) resignations from each member of the Company Board immediately prior to the Effective Time resigning from such positions effective as of the Effective Time;

(v) executed Payoff Letters relating to any Indebtedness of the Company outstanding as of immediately prior to the Effective Time (other than the TRV Indebtedness);

(vi) evidence reasonably satisfactory to Parent that each Employee Plan intended to be qualified under Section 401(k) of the Code has been terminated effective as of the day immediately prior to the Closing pursuant to resolutions duly adopted by the Company Board; and

(vii) a certificate by the Company that meets the requirements of Treasury Regulations Sections 1.1445-2(c)(3), in a form satisfactory to Parent.

## ARTICLE VII. TERMINATION

7.1. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding the Requisite Stockholder Approval):

(a) by mutual written agreement of the Company and Parent;

(b) by either the Company or Parent, if the Merger has not been consummated on or before December 14, 2018 (the "End Date"); provided that the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be available to any party whose breach of any provision of this Agreement is a proximate cause in the failure of the Merger to be consummated by such time;

(c) by either Parent or the Company, if a Governmental Authority shall have issued any Order or taken any other action, in each case, which has become final and non-appealable and which restrains, enjoins or otherwise prohibits the Merger;

(d) by Parent, if (i) any representation or warranty of the Company contained in this Agreement shall be inaccurate such that the condition set forth in Section 6.2(a) would not be satisfied, or (ii) the covenants or obligations of the Company contained in this Agreement shall have been breached in any material respect such that the condition set forth in Section 6.2(b) would not be satisfied; provided, however, that if an inaccuracy or breach is curable by the Company during the 30-day period after Parent notifies the Company in writing of the existence of such inaccuracy or breach (the "Company Cure Period"), then Parent may not terminate this Agreement under this Section 7.1(d) as a result of such inaccuracy or breach prior to the expiration of the Company Cure Period unless the Company is no longer continuing to exercise commercially reasonable efforts to cure such inaccuracy or breach;

(e) by the Company, if (i) any representation or warranty of Parent contained in this Agreement shall be inaccurate such that the condition set forth in Section 6.1(a) would not be satisfied, or (ii) the covenants or obligations of Parent or Merger Sub contained in this Agreement shall have been breached in any material respect such that the condition set forth in Section 6.1(b) would not be satisfied; provided, however, that if an inaccuracy or breach is curable by Parent or Merger Sub during the 30-day period after the Company notifies Parent in writing of the existence of such inaccuracy or breach (the "Parent Cure Period"), then the Company may not terminate this Agreement under this Section 7.1(e) as a result of such inaccuracy or breach prior to the expiration of the Parent Cure Period unless Parent is no longer continuing to exercise commercially reasonable efforts to cure such inaccuracy or breach;

(f) by Parent at any time before the Requisite Stockholder Approval has been obtained; provided, that Parent shall not be permitted to terminate pursuant to this Section 7.1(f) during the first 48 hours after the execution of this Agreement.

7.2. Effect of Termination. If this Agreement is terminated pursuant to Section 7.1, this Agreement shall become void and of no effect without liability of any party (or any Representative of such party) to any other party; provided that the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Section 5.7 and Article IX, which shall survive any termination of this Agreement.

## ARTICLE VIII. INDEMNIFICATION

8.1. Survival. If the Merger is consummated, each and every representation, warranty, covenant, agreement and indemnity contained in this Agreement, the Parent Disclosure Schedule, the Company Disclosure Schedule, the certificate of Parent delivered pursuant to Section 6.1(e)(i) and the certificate of the Company delivered pursuant to Section 6.2(h)(i) shall survive execution and delivery of this Agreement and the Closing; provided, however, that the representations and warranties of the parties contained in Articles III and IV of this Agreement shall only survive the Closing until twelve (12) months after the Closing Date, other than Company Fundamental Representations and Parent Fundamental Representations which shall survive the

Closing until five (5) years after the Closing Date (the “Fundamental Representations”), and those set forth in Section 3.17 (Tax Matters), which shall survive until the date that is 60 days following the expiration of the applicable statute of limitations (including any applicable extensions). All covenants of the parties contained in this Agreement shall remain operative and in full force and effect in accordance with their terms or until fully performed. Notwithstanding the foregoing, (i) the expiration of the above survival periods for any representation or warranty shall not terminate or affect any claim with respect to such representation or warranty that is set forth in a Third-Party Notice of Claim or a Notice of Claim delivered to the other party in accordance with Section 8.6(b) or Section 8.6(e), as applicable, prior to the end of such survival period; and (ii) in the event of fraud (with the element of scienter) by or on behalf the Company on the one hand, or Parent or Merger Sub on the other hand, in connection with a representation or warranty contained in Articles III and IV of this Agreement, such representation or warranty (and the associated right of indemnity) shall survive until the date that is 60 days following the expiration of the applicable statute of limitations (including any applicable extensions) applicable to claims based on such fraud. The right to indemnification or other remedy based on the representations, warranties, covenants, agreements and indemnities contained herein will not be affected by any investigation conducted, or any knowledge acquired (or capable of being acquired), at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any representation, warranty, covenant or agreement contained herein or any other matter.

#### 8.2. Indemnification by Company Stockholders.

(a) From and after the Closing, each Company Stockholder shall severally, not jointly and severally, and in proportion to their respective Pro Rata Share, hold harmless and indemnify each of Parent and its Affiliates (including the Surviving Corporation after the Closing) and each of their respective officers, directors, employees, successors and assigns (collectively, the “Parent Indemnified Parties”) from and against any and all Losses arising out of or resulting from:

(i) any breach of or inaccuracy in any representation or warranty made by the Company pursuant to Article III or the certificate delivered by the Company pursuant to Section 6.2(h)(i) (without giving effect to any Material Adverse Effect or other materiality qualification or any similar qualification contained or incorporated directly or indirectly in such representation or warranty);

(ii) any breach of any covenant or agreement made by the Company under this Agreement that was to be performed by the Company at or prior to the Closing;

(iii) any inaccuracy in the Consideration Schedule or the Estimated Closing Statement;

(iv) any Closing Indebtedness or Unpaid Transaction Expenses to the extent not either (A) fully discharged at Closing, or (B) accounted for in the determination of Aggregate Closing Parent Shares; or

(v) the exercise of dissenters' rights or rights of appraisal by any Company Stockholder or former Company Stockholder to the extent that the aggregate amount paid with respect to any Dissenting Shares, together with the aggregate amount of all Losses with respect thereto, exceeds the consideration that otherwise would have been payable to such Company Stockholder pursuant to Section 1.5 upon the exchange of such Dissenting Shares if such Company Stockholder had not exercised his, her or its right to dissent to the Merger pursuant to Section 262 of the DGCL.

(b) Notwithstanding anything to the contrary in this Agreement, the right to indemnification under this Section 8.2 is subject to the following limitations; provided, however, that the following limitations described in clauses (i) and (ii) below shall not apply to Losses arising out of or resulting from fraud (with the element of scienter) by or on behalf of the Company:

(i) Company Stockholders shall not have any obligation to indemnify any Parent Indemnified Party from and against any Losses arising out of breaches or inaccuracies indemnified under Section 8.2(a)(i) (other than as a result of a breach of or inaccuracy in a Company Fundamental Representation) until the Parent Indemnified Parties have suffered aggregate Losses by reason of such breaches or inaccuracies in excess of \$250,000 (the "Deductible") (it being understood that if aggregate Losses exceed the Deductible, then the Parent Indemnified Parties shall be entitled to be indemnified against only the portion of the aggregate Losses that exceed the Deductible). For the avoidance of doubt, the rights of Parent Indemnified Parties to indemnification pursuant to Section 8.2(a)(i) as a result of a breach of or inaccuracy in a Company Fundamental Representation shall not be subject to the Deductible.

(ii) The maximum amount which the Parent Indemnified Parties may recover arising out of breaches or inaccuracies described in Section 8.2(a)(i) (other than as a result of a breach of or inaccuracy in a Company Fundamental Representation) shall be an aggregate amount equal to the Indemnification Holdback Amount (the "Cap") and recovery from the Indemnification Holdback Amount shall be the sole and exclusive remedy under this Agreement for any breaches or inaccuracies described in Section 8.2(a)(i) (other than as a result of a breach of or inaccuracy in a Company Fundamental Representation). For the avoidance of doubt, the Parent Indemnified Parties' right to indemnification under Section 8.2(a)(i) as a result of a breach of or inaccuracy in a Company Fundamental Representation shall not be subject to the Cap.

(c) Subject to the other limitations contained herein, the Parent Indemnified Parties shall satisfy any finally determined claim for indemnification under this Section 8.2 (i) first, by permanently retaining such Losses from the Indemnification Holdback Amount as described in Section 8.8(b) and by therefore reducing the portion of the Indemnification Holdback Amount to be released to Company Stockholders pursuant to Section 8.8(c); and (B) second, with respect to aggregate indemnifiable Losses in excess of the Indemnification Holdback Amount, the Parent Indemnified Parties may satisfy any such Losses directly from such Company Stockholders in an amount not to exceed each such Company Stockholder's Pro Rata Share of

such Losses; provided, that Parent may also offset any indemnifiable Losses for which any Parent Indemnified Party is entitled to be indemnified hereunder, after the Parent Indemnified Parties have exhausted all of the Indemnification Holdback Amount, against all or a portion of any payment of the Roche Interim Release Amount or Roche Secondary Release Amount otherwise payable to the Company Stockholders pursuant to Section 1.9 (with each Parent Series B Preferred Share offset thereby deemed to satisfy an amount of Losses equal to the Adjusted Parent Stock Price).

(d) Notwithstanding anything to the contrary in Section 8.2(c) or Section 8.8(b), in the event that the Parent Indemnified Parties are entitled to recover Losses in connection with a finally determined Parent Indemnity Claim, from the Indemnification Holdback Amount or otherwise, Parent shall provide written notice ("Indemnity Election Notice") to the Stockholders' Representative promptly following the date upon which such Parent Indemnity Claim is finally determined specifying (i) the Losses that the Parent Indemnified Parties are entitled to recover (the "Applicable Indemnifiable Amount"), (ii) each Company Stockholder's Pro Rata Share of the Applicable Indemnifiable Amount, and (iii) the Adjusted Parent Stock Price applicable to such finally determined Parent Indemnity Claim. With respect to any Applicable Indemnifiable Amount, each Stock Converting Holder shall be entitled, at such Stock Converting Holder's election, to deliver to the Stockholders' Representative prior to the tenth (10<sup>th</sup>) Business Day after Parent has delivered the Indemnity Election Notice to the Stockholders' Representative an amount of cash to be applied to such Applicable Indemnifiable Amount equal to such Stock Converting Holder's Pro Rata Share of the Applicable Indemnifiable Amount (such amount, with respect to any Stock Converting Holder, such Stock Converting Holder's "Voluntary Cash Payment"). With respect to any Applicable Indemnifiable Amount, in the event that Parent receives from the Stockholders' Representative, prior to the fifteen (15<sup>th</sup>) Business Day after Parent has delivered the Indemnity Election Notice to the Stockholders' Representative, (x) any Voluntary Cash Payments and (y) a written statement specifying the amount, if any, of such Voluntary Cash Payments paid by and therefor attributable to each Stock Converting Holder in respect of such Applicable Indemnifiable Amount, then Parent shall (A) first set-off against such Applicable Indemnifiable Amount the aggregate amount of such Voluntary Cash Payments, on a dollar-for-dollar basis, which aggregate amount shall be thereupon deemed to be paid over to, and owned by, Parent; (B) then, if applicable, release to each Stock Converting Holder that paid such a Voluntary Cash Payment in respect of such Applicable Indemnifiable Amount a number of the Parent Series B Preferred Shares out of the Indemnification Holdback Amount equal to such Stock Converting Holder's Voluntary Cash Payment divided by the Adjusted Parent Stock Price applicable to such finally determined Parent Indemnity Claim; and (C) finally set-off against any remaining Applicable Indemnifiable Amount any Parent Series B Preferred Shares, on a dollar-for-dollar basis, determined using the Adjusted Parent Stock Price applicable to such finally determined Parent Indemnity Claim, such Parent Series B Preferred Shares to be returned to the authorized but unissued shares of Parent.

(e) Upon the consummation of a Parent IPO at any time from and after the Closing Date, the per share price to be used to value Parent Series B Preferred Shares in order to determine the amount of Losses deemed to be satisfied by such Parent Series B Preferred Shares (either with respect to Parent Series B Preferred Shares to be cancelled by Parent pursuant to Section 8.2(c) or to be issued to Company Indemnified Parties pursuant to Section 8.3(b)(iii)) shall be the greater of (i) \$2.06 per share or (ii) an amount equal to the closing price of a share of Parent

Common Stock on the applicable nationally recognized stock exchange as of the last trading day preceding the date of submission of a Third Party Claim Notice or Notice of Claim, as applicable (the "Adjusted Parent Stock Price"); provided, that the Adjusted Parent Stock Price shall also be equitably adjusted (without duplication to any other equitable adjustment contemplated by this Agreement) to reflect any conversion of Parent Series B Preferred Shares into shares of Parent Common Stock other than on a one-for-one basis and/or any stock splits or reverse stock splits which occur in connection with such Parent IPO.

(f) Notwithstanding anything in this Agreement to the contrary, in no event shall any Company Stockholder have any liability pursuant to this Section 8.2 greater than the amount of consideration actually received by such Company Stockholder pursuant to Sections 1.5, 1.9 and 8.8(c) of this Agreement (inclusive of each Company Stockholder's contributions to the Roche Holdback Amount and the Indemnification Holdback Amount) (with any Parent Series B Preferred Shares valued at the Parent Per Share Price).

(g) No Company Stockholder shall be liable to any Parent Indemnified Party (i) for the breach by any other Company Stockholder of any agreement entered into in connection with this Agreement, or (ii) any fraud (with the element of scienter) by any other Person (except for such fraud committed by or on behalf of the Company).

### 8.3. Indemnification by Parent and the Surviving Corporation.

(a) From and after the Closing, Parent and the Surviving Corporation will, jointly and severally, hold harmless and indemnify each Company Stockholder and its Affiliates and each of their respective officers, directors, employees, successors and assigns (collectively, the "Company Stockholder Indemnified Parties") and, together with the Parent Indemnified Parties, the "Indemnified Parties") from and against any and all Losses arising out of or resulting from:

(i) any breach of or inaccuracy in any representation or warranty made by Parent or Merger Sub pursuant to Article IV or the certificates delivered by Parent and Merger Sub pursuant to Section 6.1(e)(i) (without giving effect to any Material Adverse Effect or other materiality qualification or any similar qualification contained or incorporated directly or indirectly in such representation or warranty); or

(ii) any breach of covenant or agreement made by Parent or Merger Sub under this Agreement that was to be performed by Parent or Merger Sub at or prior to the Closing.

(b) Notwithstanding anything to the contrary in this Agreement, the right to indemnification under this Section 8.3 is subject to the following limitations; provided, however, that the following limitations described in clauses (i) and (ii) below shall not apply to Losses arising out of or resulting from fraud (with the element of scienter) by or on behalf of Parent or Merger Sub:

(i) Parent and the Surviving Corporation shall not have any obligation to indemnify any Company Stockholder Indemnified Party from and against any Losses arising out of breaches or inaccuracies indemnified under Section 8.3(a)(i) (other than as a result

of a breach of or inaccuracy in a Parent Fundamental Representation) until the Company Stockholder Indemnified Parties have suffered aggregate Losses by reason of such breaches or inaccuracies in excess of the Deductible (it being understood that if aggregate Losses exceed the Deductible, then the Company Stockholder Indemnified Parties shall be entitled to be indemnified against only the portion of the aggregate Losses that exceed the Deductible). For the avoidance of doubt, the Company Stockholder Indemnified Parties' right to indemnification under Section 8.3(a)(i) as a result of a breach of or inaccuracy in a Parent Fundamental Representation shall not be subject to the Deductible.

(ii) The maximum amount which the Company Stockholder Indemnified Parties may recover arising out of breaches or inaccuracies described in Section 8.3(a)(i) (other than as a result of a breach of or inaccuracy in a Parent Fundamental Representation) shall be the Cap. For the avoidance of doubt, the Company Stockholder Indemnified Parties' right to indemnification under Section 8.3(a)(i) as a result of a breach of or inaccuracy in a Parent Fundamental Representation shall not be subject to the Cap.

(iii) Subject to the other limitations contained herein, Parent and the Surviving Corporation shall have the right (but not the obligation) to satisfy all or any portion of any finally determined claim for indemnification under this Section 8.3 with respect to Stock Converting Holders through the issuance to such Stock Converting Holders of a number of additional Parent Series B Preferred Shares equal to the quotient obtained by dividing (A) the applicable Losses to be satisfied with Parent Series B Preferred Shares by (B) the Adjusted Parent Stock Price; provided, that in the event of the consummation of a Parent IPO at any time from and after the Closing Date pursuant to which Parent Series B Preferred Shares are converted into shares of Parent Common Stock, Parent shall be entitled to issue shares of Parent Common Stock in lieu of such Parent Series B Preferred Shares. If the Company's counsel reasonably determines that the aggregate amount of payments to be made in cash from Parent or the Surviving Corporation to the Stock Converting Holders in satisfaction of any indemnification obligations of Parent or the Surviving Corporation under this Article VIII would cause the Merger to fail to qualify as a reorganization under Section 368 of the Code, the aggregate amount of indemnity payments to be made in cash from Parent or the Surviving Corporation to the Stock Converting Holders shall be decreased by an amount (the amount of such decrease, the "Reduction Amount") that would not cause the Merger to fail to qualify as a reorganization under Section 368 of the Code and neither Parent nor the Surviving Corporation shall have any further obligation or liability in respect of the payment of such Reduction Amount.

(c) Notwithstanding anything in this Agreement to the contrary, in no event shall Parent and the Surviving Corporation have aggregate liability pursuant to this Section 8.3 in excess of \$70,040,000.

8.4. Exclusive Remedy. From and after the Closing Date, the Parent Indemnified Parties' and the Company Stockholder Indemnified Parties' sole and exclusive remedy for any claim with respect to the breach of any representation, warranty, covenant or agreement or other express indemnification obligation set forth in this Agreement shall be those remedies set forth in this Article VIII or Section 5.4(c) (for any claim with respect to Taxes); provided, however, that nothing herein shall preclude any party hereto from (a) enforcing its rights to an injunction or specific performance pursuant to Section 9.15, (b) seeking any remedy based

upon fraud (with the element of scienter) by any other party hereto (including any such fraud committed by any officer, director or employee of Parent, Merger Sub, the Company Stockholders, the Company or any Affiliate thereof in connection with the transactions contemplated by this Agreement) or (c) seeking any remedy with respect to a breach of any representation, warranty, covenant or agreement or other express indemnification obligation set forth in any agreement entered into in connection with this Agreement, including the Accredited Investor Certification, the Investor Representation Letter and the Letter of Transmittal.

#### 8.5. Additional Provisions Regarding Indemnification.

(a) Notwithstanding any other provision of this Article VIII, the right to indemnification pursuant to this Article VIII is subject to the following limitations; provided, however, that the following limitations described in (i) and (iv) below shall not apply to Losses arising out of or resulting from fraud (with the element of scienter):

(i) in no event will any party to this Agreement be liable under this Agreement (for indemnification) to any other party or other Person for any diminution in value, lost opportunities or punitive damages except where punitive damages are received by a third party from an Indemnified Party in connection with Losses indemnified hereunder;

(ii) the amount of Loss for which any party to this Agreement or other Person may be entitled to seek indemnification under this Agreement will be reduced by the amount of any third-party insurance (and not self-insurance) proceeds or other payment from a third party that is actually received by such party or Person (or its Affiliates) with respect to such Loss (net of any out-of-pocket expenses incurred in obtaining such amounts, any co-payment, retrospective premium adjustment and increased premiums resulting from such Loss as reasonably determined by the Indemnifying Parties and Indemnified Parties ("Reduction Amounts")); and

(iii) if an Indemnified Party, after having received any indemnification payment pursuant to this Agreement with respect to a Loss, subsequently actually receives any third-party insurance proceeds or other payment from a third party for which it was actually indemnified pursuant to this Article VIII, such Indemnified Party will promptly refund and pay to the Indemnifying Party an amount equal to such insurance proceeds or payment (net of applicable Reduction Amounts).

(b) No Indemnified Party shall be entitled to double recovery for any indemnifiable Losses even though such Losses may have resulted from the breach of more than one of the representations, warranties, agreements, or covenants in this Agreement; provided if an Indemnified Party's claim under this Article VIII may be properly characterized in multiple ways in accordance with this Article VIII such that such claim may or may not be subject to different limitations depending on such characterization, then such Indemnified Party shall have the right to characterize such claim in a manner that maximizes the recovery and time to assert such claim permitted in accordance with this Article VIII. No Indemnified Party shall be entitled to indemnification under this Agreement in respect of any Losses to the extent such Losses were specifically taken into account in the calculation of, and reduced the Aggregate Closing Parent Shares, including the calculation of the Unpaid Transaction Expenses, Closing Indebtedness, and the Closing Working Capital.

(c) The Indemnified Parties shall use such efforts as required by applicable Law to mitigate the amount of any Losses arising from a matter subject to indemnification hereunder; provided, however, that (i) this clause (c) shall not require any Indemnified Party to take any action to recover Losses from any third party; and (ii) the taking of any such action shall not be a condition to indemnification rights hereunder.

(d) All payments (if any) made to an Indemnified Party pursuant to any indemnification, compensation or reimbursement obligations under this Article VIII will be treated as adjustments to the purchase price for Tax purposes and such agreed treatment will govern for purposes of this Agreement, unless otherwise required by Law.

(e) Notwithstanding anything to the contrary in this Agreement, no Indemnified Party shall be entitled to make any claim for recovery for any liability to the extent related to or arising from the amount of or ability of any Indemnified Party to utilize any net operating loss carryforward or other Tax attribute of the Company in any Tax period (or portion thereof) beginning after the Closing Date.

#### 8.6. Indemnification Procedures.

(a) Any party or other Person that has an indemnification obligation under this Article VIII is referred to herein as an “Indemnifying Party” and any party or Person that is entitled to indemnification under this Article VIII is referred to herein as an “Indemnified Party”.

(b) Should any claim or Proceeding by or involving a third party (including any Governmental Authority) not party to this Agreement (or an Affiliate thereof) arise after the Closing Date for which an Indemnifying Party has an indemnification obligation under the terms of this Agreement (a “Third-Party Claim”), the Indemnified Party shall notify the Indemnifying Party in writing (a “Third-Party Claim Notice”) prior to the expiration of the applicable survival date provided in Section 8.1 and within a reasonable time after such Third-Party Claim or Proceeding arises and is known to the Indemnified Party; provided, however, that no delay on the part of the Indemnified Party to provide the Indemnifying Party a Third-Party Claim Notice shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is actually prejudiced as a result thereof.

(c) After receipt of a Third-Party Claim Notice from Parent or the Stockholders’ Representative, as applicable, the other party shall be entitled, at its own cost and expense, to consult with the party who has delivered such Third-Party Claim Notice in any defense of such claim, it being understood that the party who delivered such Third-Party Claim Notice shall have the sole right to control such defense; provided, however, that the Indemnifying Parties and the Indemnified Parties shall cooperate in good faith to implement reasonable arrangements designed to preserve any existing attorney-client privilege; provided, further, that each party shall be entitled to withhold information from the other party if its provision would cause the attorney-client privilege thereof to be waived.

(d) No settlement of any Third-Party Claim without the consent (which shall not be unreasonably withheld, conditioned or delayed) of Parent or the Stockholders' Representative, as applicable, shall be dispositive of whether such Third-Party Claim represented an indemnifiable matter hereunder or determinative of the existence or amount of Losses relating to such matter for which any Indemnified Party shall be entitled to indemnification hereunder. In the event that Parent or the Stockholders' Representative, as applicable, has consented to any such settlement, however, the applicable Indemnifying Parties shall have no power or authority to object to such Third-Party Claim and the payment of Losses in respect thereof.

(e) Any claim on account of Losses for which indemnification is provided under this Agreement which does not involve a Third-Party Claim shall be asserted by reasonably prompt written notice (a "Notice of Claim") prior to the expiration of the applicable survival date provided in Section 8.1, stating, in reasonable detail, and to the extent known, the nature and basis of such claim and a good faith, non-binding, preliminary estimate of the aggregate dollar amount of actual Losses that have arisen and are expected to arise as a result of such breach or other matter as set forth on such Notice of Claim, given by the Indemnified Party to the Indemnifying Party; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is actually prejudiced as a result thereof.

(f) Upon receipt of a Notice of Claim, the Indemnifying Party and the Indemnified Party shall consult with each other in an attempt to agree upon the matters set forth in the Notice of Claim and reach a written agreement with respect to such matters (a "Claim Settlement Agreement"). If the Indemnifying Party and the Indemnified Party fail to agree upon the matters contained in such Notice of Claim within thirty (30) days after the date the Notice of Claim is delivered to the Indemnified Party, then, at the request of any party, the Indemnifying Party and the Indemnified Party shall meet in an attempt to resolve the objection described in such Notice of Claim and reach a Claim Settlement Agreement. If the Indemnifying Party and the Indemnified Party enter into a Claim Settlement Agreement, the objections contained in such Notice of Claim shall be deemed to be as resolved as provided therein. If the Indemnifying Party and the Indemnified Party are unable to resolve the objection described in such Notice of Claim within sixty (60) days after delivery by the Indemnified Party of such Notice of Claim, then either party may submit the objections contained in such Notice of Claim for resolution in a Proceeding commenced as contemplated by Section 9.12.

8.7. Calculation of Loss Amount. For purposes of determining whether any representation or warranty in this Agreement has been breached and the amount of any Losses with respect to any claim for indemnification under Section 8.2 or Section 8.3, any qualifiers as to materiality (including Material Adverse Effect or similar terms) contained in an applicable representation and warranty shall be deemed to be deleted and shall be given no force or effect.

#### 8.8. Indemnification Holdback Amount.

(a) The Indemnification Holdback Amount shall be withheld from the consideration otherwise payable to each Company Stockholder at Closing in accordance with Section 1.8 and retained by Parent to be used solely for the satisfaction of indemnification obligations of the Company Stockholders under Article VIII. The Company Stockholders shall not receive interest on the Indemnification Holdback Amount. Neither the Indemnification

Holdback Amount (including any portion thereof) nor any beneficial interest therein may be pledged, subjected to any Encumbrance, sold, assigned or transferred by any Company Stockholder, or be taken or reached by any legal or equitable process in satisfaction of any debt or other liability of any Company Stockholder, in each case prior to the distribution of the Indemnification Holdback Amount to any Company Stockholder in accordance with this Section 8.8. Any Parent Series B Preferred Shares withheld from the Stock Converting Holders in respect of the Indemnification Holdback Amount in accordance with Section 1.8 shall constitute issued and outstanding stock of Parent, which Parent shall hold in escrow on behalf of the Company Stockholders pending release under Section 8.8(c). The Stock Converting Holders shall be entitled to exercise voting rights and shall be entitled to receive any dividends with respect to such shares until such time, if any, as such shares are cancelled by Parent as provided in this Article VIII.

(b) Parent shall be entitled to permanently retain from the Indemnification Holdback Amount in respect of finally determined Losses (i) with respect to each Cash Converting Holder, an amount of cash equal to the Losses which the Parent Indemnified Parties are entitled to recover from such Cash Converting Holder (in accordance with such Cash Converting Holder's Pro Rata Share) and (ii) with respect to each Stock Converting Holder, subject to Section 8.2(d) and any Voluntary Cash Payments made pursuant thereto, a number of Parent Series B Preferred Shares equal to the quotient obtained by dividing (A) the Losses which the Parent Indemnified Parties are entitled to recover from such Stock Converting Holder (in accordance with such Stock Converting Holder's Pro Rata Share) by (B) the Adjusted Parent Stock Price. The parties hereto acknowledge that the Adjusted Parent Stock Price only reflects an agreed-upon amount as to the value of Parent Series B Preferred Shares solely for the limited purpose of satisfying any Losses under this Article VIII and is not intended to be, nor is it, deemed to constitute the fair market value of Parent Series B Preferred Shares at any given time.

(c) Release of the Indemnification Holdback Amount. Within five (5) Business Days following the Holdback Release Date, Parent will release (or cause to be released) to the Company Stockholders, in accordance with each Company Stockholder's Pro Rata Share, an aggregate amount equal to (i) the Indemnification Holdback Amount, less (ii) the sum of (A) the aggregate amount of all Parent Indemnity Claims that have been finally resolved in favor of Parent Indemnified Parties pursuant to this Article VIII on or prior to such date plus (B) the amount that would be reasonably necessary in Parent's good faith judgment to satisfy any then pending and unsatisfied or unresolved Parent Indemnity Claims made prior to such date if such Parent Indemnity Claims were finally resolved in full in favor of the Parent Indemnified Parties. Any portion of the Indemnification Holdback Amount held following the Holdback Release Date with respect to pending and unsatisfied or unresolved Parent Indemnity Claims that is not awarded to Parent upon the resolution of such claims shall be distributed to the Company Stockholders within five (5) Business Days of the date of resolution of such Parent Indemnity Claim, in accordance with each such Company Stockholder's Pro Rata Share of such amount (subject to the continued retention of the amount that would be reasonably necessary in Parent's good faith judgment to satisfy any then pending and unsatisfied or unresolved Parent Indemnity Claims made prior to the Holdback Release Date). All amounts distributed pursuant to this Section 8.8(c) shall be released to the Company Stockholders as follows: (i) Parent shall release to each Stock Converting Holder, such Stock Converting Holder's Pro Rata Share of the Parent Series B Preferred Shares constituting the distributable portion of the Indemnification Holdback Amount, and (ii) Parent or the Surviving Corporation shall release (or cause to be released) to each Cash Converting Holder, such Cash Converting Holder's Pro Rata Share of the cash amount constituting the distributable portion of the Indemnification Holdback Amount.

8.9. Exercise of Remedies. No Indemnified Party, other than Parent (on behalf of the Parent Indemnified Parties) or the Stockholders' Representative (on behalf of the Company Stockholders) shall be permitted to assert any indemnification claim or exercise any other right or remedy under this Agreement unless Parent or the Stockholders' Representative, as applicable, shall have consented to the assertion of such indemnification claim or the exercise of such right or other remedy.

8.10. Non-Reliance.

(a) Except for the representations and warranties set forth in Article III and in any certificate, instrument or other document delivered by or on behalf of the Company pursuant to this Agreement (including the Letter of Transmittal, the Investor Representation Letter and the Accredited Investor Certification), Parent and Merger Sub acknowledge and agree that (i) neither the Company nor any other Person acting on behalf of the Company has made or is making any express or implied representation or warranty with respect to the Company, the business, operation, condition (financial or otherwise) or any other aspect thereof, or with respect to any other information provided to Parent, Merger Sub or any of their Affiliates or Representatives and (ii) any other representations or warranties are expressly disclaimed by the Company, (iii) Parent and Merger Sub, and any Person acting on behalf of Parent or Merger Sub, are not entitled to rely on any such representation or warranty, if made, and (iv) Parent or Merger Sub, and any Person acting on behalf of Parent or Merger Sub, have not, are not and will not rely on any such representation or warranty, if made.

(b) Except for the representations and warranties set forth in Article IV and in any certificate, instrument or other document delivered by or on behalf of Parent or Merger Sub pursuant to this Agreement, the Company and the Company Stockholders acknowledge and agree that (i) none of Parent, Merger Sub or any Person acting on behalf of Parent or Merger Sub has made or is making any express or implied representation or warranty with respect to Parent or Merger Sub, including the business, operation, condition (financial or otherwise) or any other aspect thereof, or with respect to any other information provided to the Company or the Company Stockholders, including the Affiliates or Representatives thereof, (ii) any other representations or warranties are expressly disclaimed by Parent and Merger Sub, (iii) none of the Company, the Company Stockholders or any Person acting on behalf of the Company or any Company Stockholder, are entitled to rely on any such representation or warranty, if made, and (iv) none of the Company, the Company Stockholders or any Person acting on behalf of the Company or any Company Stockholder, has, is or will rely on any such representation or warranty, if made.

ARTICLE IX.  
MISCELLANEOUS

9.1. Defined Terms. As used herein, the terms below shall have the following meanings. Any such term, unless the context otherwise requires, may be used in the singular or plural, depending upon the reference.

“2018 Bonus Plan” means the Company’s 2018 Incentive Bonus Plan.

“Accounting Principles” means GAAP, and solely to the extent consistent therewith, the principles, practices, methodologies and procedures used by the Company in the preparation of the illustrative example of the calculation of Working Capital as of October 15, 2018 set forth on Schedule 9.1 hereto.

“Accredited Investor” means a Person that is, as of the Effective Time, an “accredited investor” within the meaning of Securities and Exchange Commission Rule 501 of Regulation D, as presently in effect, under the Securities Act.

“Action” means any action, complaint, claim, suit, litigation, Proceeding, labor dispute, arbitral action, governmental audit, inquiry, criminal prosecution, civil or criminal investigation or unfair labor practice charge or complaint.

“Acquisition Proposal” means, other than the transactions contemplated by this Agreement, any offer or proposal for or indication of interest in (a) the sale, license, disposition or acquisition of all or a material portion of the business or assets of the Company, (b) the issuance, disposition or acquisition of (i) any capital stock or other equity security of the Company, (ii) any subscription, option, call, warrant, preemptive right, right of first refusal or any other right (whether or not exercisable) to acquire any capital stock or other equity security of the Company, or (iii) any security, instrument or obligation that is or may become convertible into or exchangeable for any capital stock or other equity security of the Company or (c) any merger, consolidation, business combination, reorganization or similar transaction involving the Company.

“Affiliate” means, when used with reference to any specified Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such specified Person. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Aggregate Closing Parent Shares” means (a) 34,000,000 Parent Series B Preferred Shares, less (b) that number of Parent Series B Preferred Shares whose aggregate value (based on the Parent Per Share Price) is equal to the sum of (A) the amount of all Unpaid Transaction Expenses in excess of \$[\*\*\*], (B) the amount, if any, by which Target Working Capital exceeds Closing Working Capital as of the date of this Agreement, and (C) the amount, if any, of Closing Indebtedness; provided, to the extent such resulting number of Parent Series B Preferred Shares includes any fractional share, such amount shall be rounded down to the nearest whole number of Parent Series B Preferred Shares.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of California are authorized or obligated to close.

“Cash Converting Holder” means any Company Stockholder entitled to receive the Per Share Closing Cash Consideration pursuant to Section 1.5(a)(i) or Section 1.5(b)(ii).

“Cause” means the occurrence of any of the following events: (a) the commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (b) the attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (c) the intentional, material violation of any contract or agreement between the Continuing Employee and the Company or of any statutory duty owed to the Company; (d) the unauthorized use or disclosure of the Company’s confidential information or trade secrets; or (e) gross misconduct.

“CFFT Award Agreement” means that certain award agreement dated as of September 16, 2016, by and between the Company and Cystic Fibrosis Foundation Therapeutics, Inc.

“Closing Indebtedness”: means all Indebtedness of the Company, other than the TRV Indebtedness, as of immediately prior to the Effective Time.

“Closing Working Capital” means Working Capital as of the close of business on the date of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company Capital Stock” means Company Common Stock and Company Preferred Stock.

“Company Common Stock” means the Company’s Common Stock, \$0.001 par value per share.

“Company Covered Person” means, with respect to the Company as an “issuer” for purposes of Rule 506 promulgated under the Securities Act, any Person listed in the first paragraph of Rule 506(d)(1).

“Company Fundamental Representations” means the representations and warranties of the Company contained in Section 3.1 (Organization), Section 3.2 (Authorization), Section 3.5 (Capitalization), and Section 3.29 (No Brokers).

“Company Intellectual Property” means all Intellectual Property that is owned or used by the Company in the conduct of the Company’s business as now conducted and as presently proposed to be conducted.

“Company Investor Agreements” means the (i) Investors’ Rights Agreement, dated as of January 8, 2016, by and among the Company and the Persons listed on Schedule A attached thereto, (ii) Voting Agreement, dated as of January 8, 2016, by and among the Company and the Persons listed on Schedule A and Schedule B attached thereto (the “Company Voting Agreement”), and (iii) Right of First Refusal and Co-Sale Agreement, dated as of January 8, 2016, by and among the Company and the Persons listed on Schedule A and Schedule B attached thereto.

“Company Plan” means the Warp Drive Bio, Inc. 2016 Stock Option and Grant Plan, as amended.

“Company Preferred Stock” means the Company’s Preferred Stock, \$0.001 par value per share.

“Company Registered Intellectual Property” means all applications, registrations and filings for Intellectual Property that have been registered, filed, certified or otherwise perfected or recorded or are the subject of a pending application for such, with or by any Governmental Authority or the Internet domain name registrar, by or on behalf of or in the name of the Company (including all Internet domain names).

“Company Restricted Shares” means any shares of Company Common Stock granted under the Company Plan or otherwise that is subject to a risk of forfeiture, a right of first refusal, transfer restrictions or a right of repurchase at the original purchase price thereof.

“Company Stockholders” means any holder of Company Capital Stock immediately prior to the Effective Time.

“Continuing Employee” means each employee of the Company who continues his or her employment with Parent or its Affiliates (including the Company) at the Closing.

“Company Disclosure Schedule” means a schedule executed and delivered by the Company to Parent and Merger Sub as of the date hereof which sets forth the exceptions to the representations and warranties contained in Article III hereof and certain other information called for by this Agreement. Unless otherwise specified, each reference in this Agreement to any numbered schedule is a reference to that numbered schedule which is included in the Company Disclosure Schedule.

“Contract” means any contract, agreement, indenture, note, bond, loan, license, instrument, lease, commitment, plan or other arrangement, whether oral or written.

“Encumbrance” means any claim, lien, pledge, option, charge, community property interest, equitable interest, right of first refusal or restriction of any kind, easement, security interest, deed of trust, mortgage, pledge, hypothecation, right-of-way, encroachment, building or use restriction, conditional sales agreement, encumbrance or other right of third parties, whether voluntarily incurred or arising by operation of law, and includes any agreement to give any of the foregoing in the future, and any contingent sale or other title retention agreement or lease in the nature thereof.

“Environmental Laws” means any applicable Law, regulation, or other applicable requirement relating to (a) releases or threatened release of Hazardous Substance; (b) pollution or protection of employee health or safety, public health or the environment; or (c) the manufacture, handling, transport, use, treatment, storage, or disposal of Hazardous Substances.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“ERISA Affiliate” of any entity means any other entity (whether or not incorporated) that, together with such entity, would be treated as a “single employer” within the meaning of Section 414 of the Code.

“Exchange Ratio” means the quotient obtained by dividing (a) the Aggregate Closing Parent Shares by (b) the Fully Diluted Common Number.

“Fully Diluted Common Number” means the aggregate number of shares of Company Common Stock represented by (a) all shares of Company Capital Stock (including any shares of Company Restricted Shares) issued and outstanding as of immediately prior to the Effective Time, on an as converted to Company Common Stock basis (as applicable) and (b) any direct or indirect rights to acquire shares of Company Capital Stock that are outstanding as of immediately prior to the Effective Time (excluding the TRV Indebtedness), on an as exercised and as converted to Company Common Stock basis (as applicable).

“GAAP” means United States generally accepted accounting principles.

“Good Reason” means in respect of any employee of the Company a relocation of such employee’s principal place of employment as of immediately prior to the Closing that increases such employee’s one-way commute by more than 35 miles; provided, however, that in no event shall an employee of the Company be deemed to have “Good Reason” unless such employee (i) notifies Parent in writing of his or her intention to resign their employment within 30 days following the date Parent provides written notice to such employee of its intent to relocate such employee’s principal place of employment, (ii) Parent fails to reverse its decision to relocate such employee’s principal place of employment within 15 days of its receipt of such written notice, and (iii) such employee’s resignation is effective within 30 days following the end of Parent’s cure period.

“Governmental Authority” means any United States, foreign, supra-national, federal, state, provincial, local or self-regulatory governmental, regulatory or administrative authority, agency, division, body, organization or commission or any judicial or arbitral body.

“Holdback Release Date” means the date that is 12 months after the Closing Date.

“Indemnification Holdback Amount” means \$[\*\*\*].

“Indebtedness” means, without duplication, (a) all obligations for borrowed money (including all obligations for principal, interest, penalties, fees and premiums, expenses and breakage costs) or extensions of credit (including under credit cards, bank overdrafts, and advances), (b) all obligations evidenced by bonds, debentures, notes, or other similar instruments (including all obligations for principal, interest, penalties, fees and premiums, expenses and breakage costs), (c) all obligations to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of others secured by an Encumbrance on any asset of such Person, (e) all obligations, contingent or otherwise, directly or indirectly guaranteeing any obligations of any other Person, (f) all obligations to reimburse the issuer in respect of letters of credit or under performance or surety bonds, or other similar obligations, and (g) all obligations in respect of bankers’ acceptances and under reverse repurchase agreements.

“Intellectual Property” means patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, and licenses in, to and under any of the foregoing.

“IRS” means the United States Internal Revenue Service.

“Key Employee” means each of [\*\*\*].

“Knowledge” means (a) with respect to the Company, the actual knowledge of [\*\*\*], and (b) with respect to Parent, the actual knowledge of [\*\*\*].

“Law” means any federal, state, local or foreign law, statute, ordinance, code, decree, treaty, rule, rule of common law, policy, guidance, directive or regulation or Order of any Governmental Authority and all other provisions having the force or effect of law.

“Liabilities” means all debts, liabilities, commitments and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable, liquidated or unliquidated, asserted or unasserted, known or unknown, whenever or however arising, including those arising under applicable Law or any Proceeding or order of a Governmental Authority and those arising under any Contract, regardless of whether such debt, liability, commitment or obligation would be required to be reflected on a balance sheet prepared in accordance with GAAP or disclosed in the notes thereto.

“Losses” means any and all losses, damages, liabilities, reasonable, out-of-pocket costs and expenses (including reasonable out-of-pocket attorneys’ or accountants’ fees and reasonable out-of-pocket expenses incurred in investigating, preparing for, defending, avoiding or settling any Proceeding in accordance with Article VIII), assessments, deficiencies, fines, penalties, reasonable, out-of-pocket payments (including those arising out of settlement, judgment or compromise relating to any Proceeding in accordance with Article VIII) or Taxes (including interest or penalties thereon).

“Material Adverse Effect” means with respect to any Person, any fact, event, change, development, circumstance or effect that is or would, with the passage of time, be reasonably likely to be materially adverse to the business, assets (including intangible assets), liabilities, financial condition, property or results of operations of such Person; provided, however, that in no event shall any of the following be deemed, either alone or in combination, to constitute, nor shall any of the following be taken into account in determining whether there has been, a Material Adverse Effect (unless, in the case of clauses (i) through (iii) and (v) below, they have a disproportionate effect on the Company or Parent, as applicable, as compared to any of the other companies in the industry in which the Company or Parent, as applicable, operate, in which case, only the extent of such disproportionate effect shall be taken into account when determining whether there has been a Material Adverse Effect): (i) changes in general economic conditions or financial markets, (ii) changes affecting the Company’s or Parent’s, as applicable industry generally, (iii) changes in national or international political or social conditions, including acts of war or terrorism, and natural disasters or other acts of God, (iv) any failure by the Company or Parent, as applicable, to meet any projections, budgets or estimates of revenue or earnings (it being understood that the facts giving rise to such failure may be taken into account in determining whether there has been a Material Adverse Effect (except to the extent such facts are otherwise excluded from being taken into account by this proviso)), and (v) changes in Law or GAAP occurring after the date hereof, but including any with retroactive effect.

“Non-Continuing Employee” means each employee of the Company who does not continue his or her employment with Parent or its Affiliates (including the Company) at the Closing.

“Order” means judgments, writs, decrees, directives, rulings, compliance agreements, injunctions, awards, assessments, writs, stipulations, determination of awards, settlement agreements or orders of any Governmental Authority or arbitrator.

“Organizational Documents” means (a) the articles or certificate of incorporation, all certificates of determination and designation, and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate or articles of limited partnership of a limited partnership; (d) the operating agreement, limited liability company agreement and the certificate or articles of organization or formation of a limited liability company; (e) any charter or similar document adopted or filed in connection with the creation, formation or organization of any other Person; and (f) any amendment to any of the foregoing.

“Parent Common Stock” means the Common Stock of Parent, par value \$0.0001 per share.

“Parent Covered Person” means, with respect to Parent as an “issuer” for purposes of Rule 506 promulgated under the Securities Act, any Person listed in the first paragraph of Rule 506(d)(1).

“Parent Disclosure Schedule” means a schedule executed and delivered by Parent to the Company as of the date hereof which sets forth the exceptions to the representations and warranties contained in Article IV hereof and certain other information called for by this Agreement. Unless otherwise specified, each reference in this Agreement to any numbered schedule is a reference to that numbered schedule which is included in the Parent Disclosure Schedule.

“Parent Fundamental Representations” means the representations and warranties of Parent and Merger Sub contained in Section 4.1 (Organization), Section 4.2 (Authorization), Section 4.6 (Capitalization), and Section 4.28 (No Brokers).

“Parent Intellectual Property” means all Intellectual Property that is owned or used by Parent in the conduct of Parent’s business as now conducted and as presently proposed to be conducted.

“Parent Investor Agreements” means the (i) Second Amended and Restated Investors’ Rights Agreement, dated as of March 23, 2018, by and among Parent and the Persons listed on Schedule A attached thereto (the “Parent IRA”), (ii) Second Amended and Restated Voting Agreement, dated as of March 23, 2018, by and among Parent and the Persons listed on Schedule A and Schedule B attached thereto (the “Parent Voting Agreement”), and (iii) Second Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of March 23, 2018, by and among Parent and the Persons listed on Schedule A and Schedule B attached thereto.

“Parent IPO” means the initial firm commitment underwritten public offering of Parent Common Stock for cash registered with the SEC pursuant to an effective registration statement under the Securities Act that results in Parent Common Stock being listed for trading on a nationally recognized stock exchange.

“Parent Plan” means Parent’s 2014 Equity Incentive Plan, as amended.

“Parent Preferred Stock” means Parent Series A Preferred Stock and Parent Series B Preferred Stock.

“Parent Restated Certificate” means the Fourth Amended and Restated Certificate of Incorporation of Parent in the form of Exhibit G attached hereto.

“Parent Series A Preferred Stock” means the Series A Preferred Stock of Parent, par value \$0.0001 per share.

“Parent Series B Preferred Shares” means the shares of Parent Series B Preferred Stock.

“Parent Series B Preferred Stock” means the Series B Preferred Stock of Parent, par value \$0.0001 per share.

“Parent Per Share Price” means \$2.06.

“Permits” means all licenses, permits, franchises, approvals, authorizations, or consents from any Governmental Authority, whether foreign, federal, state or local.

“Permitted Encumbrances” means (a) any restriction on transfer arising under applicable securities laws; (b) Encumbrances for Taxes not yet due and payable; (c) mechanics’, carriers’, workers’, repairers’ and similar Encumbrances arising or incurred in the ordinary course of business that are not yet due and payable and which are not, individually or in the aggregate, material to the business, operations and financial condition of the assets so encumbered of the Company and the Company Subsidiaries; and (d) zoning laws and other land use restrictions that do not, individually or in the aggregate, materially impair the present or anticipated use or occupancy of the property subject thereto.

“Per Share Closing Cash Consideration” means an amount of cash equal to the product obtained by multiplying (a) the Exchange Ratio by (b) the Parent Per Share Price.

“Per Share Closing Consideration” means the Per Share Closing Cash Consideration and Per Share Closing Stock Consideration, as applicable.

“Per Share Closing Stock Consideration” means a number of Parent Series B Preferred Shares equal to the Exchange Ratio.

“Per Share Roche Interim Cash Consideration” means an amount in cash equal to the Per Share Roche Interim Release Amount.

“Per Share Roche Interim Release Amount” means the quotient obtained by dividing (a) the Roche Interim Release Amount, by (b) the Fully Diluted Common Number.

“Per Share Roche Interim Stock Consideration” means a number of Parent Series B Preferred Shares equal to the quotient obtained by dividing (a) the Per Share Roche Interim Release Amount, by (b) the Parent Per Share Price.

“Per Share Roche Secondary Cash Consideration” means an amount in cash equal to the Per Share Roche Secondary Release Amount.

“Per Share Roche Secondary Release Amount” means the quotient obtained by dividing (a) the Roche Secondary Release Amount, by (b) the Fully Diluted Common Number.

“Per Share Roche Secondary Stock Consideration” means a number of Parent Series B Preferred Shares equal to the quotient obtained by dividing (a) the Per Share Roche Secondary Release Amount, by (b) the Parent Per Share Price.

“Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or governmental body.

“Personal Information” means any information relating to an identified or identifiable natural person; an “identifiable person” is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural or social identity, including unique device or browser identifiers, names, ages, addresses, telephone numbers, email addresses, social security numbers, passport numbers, alien registration numbers, medical history, employment history, and/or account information; and shall also mean “personal information”, “personal health information” and “personal financial information” each as defined by applicable Laws relating to the collection, use, sharing, handling, storage, retention, destruction, and/or disclosure of information about an identifiable individual.

“Proceeding” means any claim, action, suit, Order, hearing, request for information by a Governmental Authority, litigation, directive, inquiry or investigation by, before or otherwise involving any Governmental Authority, or any legal, administrative or arbitration proceeding, whether civil, criminal or administrative.

“Pro Rata Share” means, with respect to any Company Stockholder, the quotient (expressed as a percentage) obtained by dividing (a) the number of shares of Company Common Stock represented by all shares of Company Capital Stock (including any Company Restricted Shares) held by such Company Stockholder as of immediately prior to the Effective Time, on an as converted to Company Common Stock basis (as applicable), by (b) the Fully Diluted Common Number.

“Representative” means any officer, director, manager, principal, attorney, agent, employee or other representative.

“Requisite Stockholder Approval” means, with respect to this Agreement, approval by (a) holders of not less than 66.66% of all outstanding shares of Company Capital Stock, voting together as a single class and on an as-converted to Company Common Stock basis, and (b) holders of not less than 66.66% of the outstanding shares of Company Preferred Stock, voting together as a single class and on an as-converted to Company Common Stock basis.

“Roche Agreement” means that certain Research Collaboration and License Agreement, dated October 5, 2017, between the Company, F. Hoffmann-La Roche Ltd. and Hoffmann-La Roche Inc.

“Roche Holdback Amount” means \$[\*\*\*].

“Roche Interim Release Amount” means \$[\*\*\*].

“Roche Interim Period” means the period commencing as of the Closing Date and ending as of January 31, 2019.

“Roche Interim Release Event” means the [\*\*\*].

“Roche Milestone Event” means the [\*\*\*].

“Roche Secondary Period” means the [\*\*\*].

“Roche Secondary Release Amount” means \$[\*\*\*].

“Roche Secondary Release Event” means, [\*\*\*].

“Roche Termination Event” means [\*\*\*].

[\*\*\*]

[\*\*\*]

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Stock Converting Holder” means any Company Stockholder entitled to receive the Per Share Closing Stock Consideration pursuant to Section 1.5(a)(i) or Section 1.5(b)(i).

“Subsidiary” means when used in reference to any Person, any corporation or other entity of which such Person owns, directly or indirectly, (a) 50% or more of the outstanding shares of stock, other equity interests or voting securities, or (b) outstanding securities having ordinary voting power to elect the majority of the board of directors or other managing body of such corporation or entity.

“Target Working Capital” means negative \$[\*\*\*].

“Tax” means any and all taxes, including any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, registration, recording, documentary, conveyancing, gains, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit, escheat, custom duty or other tax, governmental fee or other like assessment or charge in the nature of a tax, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (United States (federal, state or local) or foreign), whether disputed or not.

“Tax Return” means any return, report, declaration, claim for refund, information return or other document (including schedules thereto, other attachments thereto, amendments thereof, or any related or supporting information) filed or required to be filed with a Tax authority relating to any Tax.

“Transaction Expenses” without duplication, the aggregate amount of all fees, costs and expenses incurred by or on behalf of the Company arising from, incurred in connection with or related to the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated hereby, including (a) third party fees, expenses and costs (including legal, accounting, broker’s, investment banker’s, consultant’s, advisor’s and finder’s fees, costs and expenses) arising from, incurred in connection with or related to this Agreement or the transactions contemplated hereby (whether or not such amounts have been billed as of or prior to the Closing Date), (b) all bonuses, incentive compensation, termination payments, severance, or other change-in-control, separation or other transaction-related payments payable in connection with the Merger or any of the other transactions contemplated hereby (whether paid or provided on or following the Closing Date), including pursuant to the CFFT Award Agreement, (c) the employer portion of any payroll, employment or similar Taxes incurred or to be incurred by Parent, the Surviving Corporation or the Company arising from, incurred in connection with or related to this Agreement or the transactions contemplated hereby, (d) the costs of premiums for the Tail Insurance Coverage to be obtained pursuant to Section 5.5(b) and (e) all other miscellaneous out-of-pocket expenses or costs incurred by or on behalf of the Company incurred in connection with, arising from or related to this Agreement, including the Expense Fund Amount.

“Treasury Regulations” means the United States Treasury regulations promulgated under the Code.

“TRV Indebtedness” means all Indebtedness outstanding under the TRV Note.

“TRV Note” means that certain Convertible Promissory Note issued by the Company to Third Rock Ventures II, L.P. on October 8, 2018 in the principal amount of \$2,000,000.

“Unpaid Transaction Expenses” means Transaction Expenses, but only to the extent they have not been paid by the Company in cash prior to the Closing.

“Working Capital” means (a) current assets of the Company listed in Schedule 9.1 (including current tax assets but excluding any deferred tax assets), *minus* (b) current liabilities of the Company listed in Schedule 9.1 (including the TRV Indebtedness and current tax liabilities, but excluding any accrued liabilities in respect of amounts payable under the 2018 Bonus Plan and deferred tax liabilities), all as calculated in accordance with the Accounting Principles, but excluding Closing Indebtedness and Unpaid Transaction Expenses. For the avoidance of doubt, in no event shall the cash of the Company be reduced in the determination of Working Capital in respect of the Expense Fund Amount so long as such amount constitutes an Unpaid Transaction Expense.

The following terms shall have the meanings defined for such terms in the Sections set forth below:

<u>Defined Term</u>	<u>Section</u>
“ <u>280G Vote</u> ”	5.9
“ <u>Accredited Investor Certification</u> ”	1.7(a)
“ <u>Accredited Person</u> ”	1.5(b)(i)
“ <u>Adjusted Parent Stock Price</u> ”	8.2(e)
“ <u>Advisory Group</u> ”	9.20(d)
“ <u>Agreement</u> ”	Preamble
“ <u>Applicable Indemnifiable Amount</u> ”	8.2(d)
“ <u>Cap</u> ”	8.2(b)(ii)
“ <u>Certificate of Merger</u> ”	1.2
“ <u>Claim Settlement Agreement</u> ”	8.6(f)
“ <u>Closing Date</u> ”	2.1
“ <u>Closing</u> ”	2.1
“ <u>Company Balance Sheet Date</u> ”	3.13
“ <u>Company Board</u> ”	Recitals
“ <u>Company Certificate</u> ”	1.3(a)
“ <u>Company Cure Period</u> ”	7.1(d)
“ <u>Company Financial Statements</u> ”	3.13
“ <u>Company Indemnification Provisions</u> ”	5.5
“ <u>Company Indemnified Parties</u> ”	5.5
“ <u>Company Related Person</u> ”	3.10(b)
“ <u>Company Stock Certificate</u> ”	1.5(c)
“ <u>Company Stockholder Indemnified Parties</u> ”	8.3(a)
“ <u>Company</u> ”	Preamble
“ <u>Confidentiality Agreement</u> ”	5.7(a)
“ <u>Consideration Schedule</u> ”	2.2(b)
“ <u>Deal Communications</u> ”	9.21(d)
“ <u>Deductible</u> ”	8.2(b)(i)
“ <u>DGCL</u> ”	Recitals
“ <u>Disqualified Individual</u> ”	5.9
“ <u>Dissenting Shares</u> ”	1.6
“ <u>Effective Time</u> ”	1.2
“ <u>Employee Plans</u> ”	3.16(g)
“ <u>End Date</u> ”	7.1(b)
“ <u>Estimated Closing Statement</u> ”	2.2(a)
“ <u>Exchange Agent Agreement</u> ”	1.7(b)

<u>Defined Term</u>	<u>Section</u>
“ <u>Exchange Agent</u> ”	1.7(a)
“ <u>Expense Fund Amount</u> ”	9.20(h)
“ <u>Expense Fund</u> ”	9.20(h)
“ <u>FCPA</u> ”	3.26
“ <u>FDA Application Integrity Policy</u> ”	3.24
“ <u>FDA</u> ”	3.24
“ <u>Form Company Service Provider Agreements</u> ”	3.8(b)
“ <u>Form Parent Service Provider Agreements</u> ”	4.9
“ <u>Fundamental Representations</u> ”	8.1
“ <u>Goodwin</u> ”	9.21(a)
“ <u>Hazardous Substance</u> ”	3.23
“ <u>Indemnified Parties</u> ”	8.3(a)
“ <u>Indemnified Party</u> ”	8.6(a)
“ <u>Indemnifying Party</u> ”	8.6(a)
“ <u>Indemnity Election Notice</u> ”	8.2(d)
“ <u>Information Statement</u> ”	5.10(b)
“ <u>Interim Period</u> ”	5.1
“ <u>Inventions Assignment Agreement</u> ”	3.19
“ <u>Investor Representation Letter</u> ”	5.10(b)
“ <u>Letter of Transmittal</u> ”	1.7(a)
“ <u>Material Contract</u> ”	3.9
“ <u>Merger Sub</u> ”	Preamble
“ <u>Merger</u> ”	Recitals
“ <u>Non-Accredited Person</u> ”	1.5(b)(ii)
“ <u>Notice of Claim</u> ”	8.6(e)
“ <u>Off-the-Shelf Software Licenses</u> ”	3.8(b)
“ <u>Parachute Payment Waiver</u> ”	5.9
“ <u>Parent Balance Sheet Date</u> ”	4.14
“ <u>Parent Board</u> ”	Recitals
“ <u>Parent Cure Period</u> ”	7.1(e)
“ <u>Parent Financial Statements</u> ”	4.14
“ <u>Parent Indemnified Parties</u> ”	8.2
“ <u>Parent Indemnity Claim</u> ”	9.20(a)(ii)
“ <u>Parent Related Person</u> ”	4.11(b)
“ <u>Parent</u> ”	Preamble
“ <u>Payoff Letter</u> ”	2.2(c)
“ <u>PCBs</u> ”	3.23
“ <u>Preferred Stock Conversion</u> ”	5.12
“ <u>Reduction Amounts</u> ”	8.5(a)(ii)
“ <u>Section 280G Approval</u> ”	5.9
“ <u>Section 280G Soliciting Materials</u> ”	5.9
“ <u>Signing Press Release</u> ”	5.7(b)
“ <u>Stockholders’ Representative Engagement Agreement</u> ”	9.20(d)
“ <u>Stockholders’ Representative Expenses</u> ”	9.20(e)

<u>Defined Term</u>	<u>Section</u>
“ <u>Stockholders’ Representative Group</u> ”	9.20(d)
“ <u>Stockholders’ Representative</u> ”	Preamble
“ <u>Surviving Corporation.</u> ”	1.1
“ <u>Tail Insurance Coverage</u> ”	5.5(b)
“ <u>Third-Party Claim Notice</u> ”	8.6(b)
“ <u>Third-Party Claim</u> ”	8.6(b)
“ <u>Transfer Taxes</u> ”	5.4(d)
“ <u>Voluntary Cash Payments</u> ”	8.2(d)
“ <u>Waived Parachute Payments</u> ”	5.9
“ <u>Written Consent</u> ”	Recitals

9.2. Notices. All notices, requests and other communications required or permitted under, or otherwise made in connection with, this Agreement, shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) upon confirmation of receipt when transmitted by email (excluding “out of office” or similar automated replies) if sent prior to 5:00 p.m. San Francisco, California time, or if sent later, then on the next Business Day, (c) upon receipt after dispatch by registered or certified mail, postage prepaid or (d) on the next Business Day if transmitted by national overnight courier (with confirmation of delivery), in each case, addressed as follows; provided that with respect to any notices deliverable to the Stockholders’ Representative, such notices shall be delivered solely via facsimile or email:

If to the Company (prior to the Closing), addressed to:

Warp Drive Bio, Inc.  
400 Technology Square  
Cambridge, MA 02139  
Attn: Laurence Reid  
Email: [\*\*\*]

With a copy (which shall not constitute notice) to:

Goodwin Procter LLP  
100 Northern Avenue  
Boston, MA 02210  
Attn: Mitchell S. Bloom; Arthur R. McGivern; Nathan E. Hagler  
Email: [\*\*\*]

If to the Stockholders’ Representative, addressed to:

Fortis Advisors LLC  
Attn: Notices Department  
Email: [\*\*\*]  
Facsimile: (858) 408-1843

With a copy (which shall not constitute notice) to:

Goodwin Procter LLP  
100 Northern Avenue  
Boston, MA 02210  
Attn: Mitchell S. Bloom; Arthur R. McGivern; Nathan E. Hagler  
Email: [\*\*\*]

If to Parent, Merger Sub or the Surviving Corporation, addressed to:

Revolution Medicines, Inc.  
700 Saginaw Drive  
Redwood City, CA 94063  
Attn: Margaret Horn  
Email: [\*\*\*]

With a copy (which shall not constitute notice) to:

Latham & Watkins LLP  
140 Scott Drive  
Menlo Park, California 94025  
Attn: Mark Roeder; Chad Rolston  
Email: [\*\*\*]

or to such other place and with such other copies as a party may designate as to itself by written notice to the others.

9.3. Rules of Construction. The parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in any agreement or other document will be construed against the party drafting such agreement or document.

9.4. References. The titles, captions or headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. All references to “days” or “months” shall be deemed references to calendar days or months. All references to “\$” or “dollars” shall be deemed references to United States dollars. Any dollar amounts or thresholds set forth herein shall not be used as a determinative benchmark for establishing what is or is not “material” or a “Material Adverse Effect” (or words of similar import) under this Agreement Unless the context otherwise requires, any reference to an “Article”, “Section,” “Exhibit,” or “Schedule” shall be deemed to refer to an article of this Agreement, Section of this Agreement, exhibit to this Agreement or a schedule to this Agreement, as applicable. Any reference to any federal, state, county, local or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. For all purposes of and under this Agreement, (a) the words “include”, “includes” and “including” shall be deemed to be immediately followed by the words “without limitation”; (b) words (including defined terms) in the singular shall be deemed to include the plural and vice versa; (c) words of one gender shall be deemed to include the other genders as the context requires; (d) “or” is not exclusive; (e) the word “will” shall

be construed to have the same meaning and effect as the word “shall”; (f) unless otherwise stated, any reference herein to any Person shall be construed to include such Person’s successors and assigns; and (g) the terms “hereof,” “herein,” “hereto,” “herewith”, “hereunder” and any other words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the exhibits and schedules hereto) and not to any particular term or provision of this Agreement, unless otherwise specified.

9.5. Entire Agreement. This Agreement, including the Exhibits hereto, the Company Disclosure Schedule, the Parent Disclosure Schedule and the other agreements, documents and written understandings referred to herein or otherwise entered into or delivered by the parties hereto pursuant to this Agreement (including the Letters of Transmittal and the Investor Representation Letters), constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all other prior covenants, agreements (including any letters of intent between the parties), undertakings, obligations, promises, arrangements, communications, representations and warranties, whether oral or written, by any party hereto with respect to the subject matter hereof.

9.6. Assignment. No party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

9.7. Amendment; Modification. This Agreement may not be amended or modified except in an instrument in writing signed by the parties hereto. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

9.8. Waiver. Except where a specific period for action or inaction is provided herein, neither the failure nor any delay on the part of any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of a party to exercise any right conferred herein within the time required shall cause such right to terminate with respect to the transaction or circumstances giving rise to such right, but not to any such right arising as a result of any other transactions or circumstances.

9.9. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced as a result of any rule of Law or public policy, all other terms and other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the greatest extent possible.

9.10. Burden and Benefit. This Agreement shall be binding upon and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Agreement and all of its conditions and provisions are for the sole and exclusive benefit of the parties hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies of any nature whatsoever under or by reason of this Agreement or any provision hereof; provided, however, that the provisions of Section 5.5 are intended to be for the benefit of, and enforceable by, the Company Indemnified Parties.

9.11. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflicts of laws that would require the application of the laws of any other jurisdiction.

9.12. Consent to Jurisdiction. The parties hereto agree that any Proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal or state court located in the State of Delaware, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such Proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such Proceeding in any such court or that any such Proceeding brought in any such court has been brought in an inconvenient forum. Process in any such Proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 9.2 shall be deemed effective service of process on such party.

9.13. Waiver of Trial by Jury. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.13.

9.14. Limitations on Damages. Notwithstanding anything to the contrary in this Agreement, in no event shall any party be liable for punitive damages to the other party (except for punitive damages that are payable to third parties).

9.15. Specific Performance. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof or were otherwise breached and that, irrespective of any other rights or remedies that may be available to the parties as provided herein or otherwise, the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal or state court located in the State of Delaware. Each of the parties hereto agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other parties hereto have an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or equity. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 9.15 shall not be required to provide any bond or other security in connection with any such order or injunction.

9.16. Cumulative Remedies. Except as otherwise expressly set forth in this Agreement, including in Section 8.4, all rights and remedies of any party hereto are cumulative of each other and of every other right or remedy such party may otherwise have at Law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

9.17. Expenses. Except as otherwise expressly set forth in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

9.18. Representation by Counsel. Each party hereto represents and agrees with each other that it has been represented by or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement in its entirety and have had it fully explained to them by such party's respective counsel, that each is fully aware of the contents thereof and its meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

9.19. Execution and Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed an original and all of which together shall constitute one and the same instrument. The parties agree that this Agreement shall be legally binding upon the electronic transmission, including by facsimile or email, by each party of a signed signature page to this Agreement to the other party.

9.20. Stockholders' Representative.

(a) Appointment. By executing this Agreement, the Company (and, upon execution of the Written Consent or Letter of Transmittal by a Company Stockholder, such Company Stockholder) shall be deemed to have constituted and appointed, effective from and after the Effective Time, Fortis Advisors LLC as exclusive agent and attorney-in-fact for and on behalf of each Company Stockholder to act as the Stockholders' Representative under this Agreement, including in respect of the following matters:

(i) giving and receiving any notice or instruction permitted or required to be given to or received by any Company Stockholder under this Agreement;

(ii) coordinating the common defense of all indemnity claims against the Company Stockholders by any Parent Indemnified Party pursuant to this Agreement (a “Parent Indemnity Claim”),

(iii) consenting to, compromising or settling all Parent Indemnity Claims,

(iv) conducting negotiations with Parent and its Representatives regarding such Parent Indemnity Claims,

(v) dealing with Parent under this Agreement with respect to all matters arising under this Agreement, and

(vi) engaging counsel, accountants or other Stockholders’ Representatives in connection with the foregoing matters.

(b) Authorization. By each Company Stockholder’s execution of the Written Consent or Letter of Transmittal, each such Company Stockholder shall authorize the Stockholders’ Representative, on such Company Stockholder’s behalf, to:

(i) receive all notices or documents given or to be given to any of the Company Stockholders by Parent or the Surviving Corporation pursuant hereto or in connection herewith and to receive and accept service of legal process in connection with any suit or proceeding arising under this Agreement;

(ii) engage counsel, and such accountants and other advisors for any of the Company Stockholders and incur such other expenses on behalf of any of the Company Stockholders in connection with this Agreement and the transactions contemplated hereby or thereby as the Stockholders’ Representative may in its sole discretion deem appropriate;

(iii) take such action on behalf of any of the Company Stockholders as the Stockholders’ Representative may in its sole discretion deem appropriate in respect of: (A) taking such other action as the Stockholders’ Representative is authorized to take under this Agreement and the Stockholders’ Representative Engagement Agreement; (B) receiving all documents or certificates and making all determinations, on behalf of any of the Company Stockholders, required under this Agreement; and (C) all such action as may be necessary after the Closing Date to carry out any of the transactions contemplated by this Agreement, including, the defense and/or settlement of any claims for which indemnification is sought pursuant to Article VIII and any waiver of any obligation of Parent or the Surviving Corporation. Notwithstanding the foregoing, the Stockholders’ Representative shall have no obligation to act on behalf of the Company Stockholders, except as expressly provided herein and in the Stockholders’ Representative Engagement Agreement, and for purposes of clarity, there are no obligations of the Stockholders’ Representative in any ancillary agreement, schedule, exhibit or the Company Disclosure Schedule.

(c) Decisions. The powers, immunities and rights to indemnification granted to the Stockholders' Representative Group hereunder: (i) are coupled with an interest and shall be irrevocable and survive the death, incompetence, bankruptcy or liquidation of any Company Stockholder and shall be binding on any successor thereto, and (ii) shall survive the delivery of an assignment by any Company Stockholder of the whole or any fraction of his, her or its interest in the Indemnification Holdback Amount. All actions, decisions and instructions of the Stockholders' Representative shall be conclusive and binding upon all of the Company Stockholders and such Company Stockholder's successors as if expressly confirmed and ratified in writing by such Company Stockholder and no Company Stockholder shall have any claim or cause of action against the Stockholders' Representative, and the Stockholders' Representative shall have no liability to any Company Stockholder, for any action taken, decision made or instruction given by the Stockholders' Representative in connection with this Agreement or the Stockholders' Representative Engagement Agreement, except in the case of its own gross negligence or willful misconduct.

(d) Limitation of Liability. Certain Company Stockholders have entered into an engagement agreement (the "Stockholders' Representative Engagement Agreement") with the Stockholders' Representative to provide direction to the Stockholders' Representative in connection with its services under this Agreement and the Stockholders' Representative Engagement Agreement (such Company Stockholders, including their individual representatives, collectively hereinafter referred to as the "Advisory Group"). Neither the Stockholders' Representative nor its members, managers, directors, officers, contractors, agents and employees nor any member of the Advisory Group (collectively, the "Stockholders' Representative Group"), shall be liable to any Company Stockholder for any action or failure to act in connection with the acceptance or administration of the Stockholders' Representative's responsibilities hereunder or under the Stockholders' Representative Engagement Agreement, unless and only to the extent such action or failure to act constitutes gross negligence, fraud, or willful misconduct.

(e) Indemnification. The Company Stockholders shall indemnify, defend and hold harmless the Stockholders' Representative Group from and against any and all losses, claims, damages, liabilities, fees, costs, expenses (including fees, disbursements and costs of counsel and other skilled professionals and in connection with seeking recovery from insurers), judgments, fines or amounts paid in settlement (collectively, the "Stockholders' Representative Expenses") incurred without gross negligence or willful misconduct on the part of the Stockholders' Representative and arising out of or in connection with the acceptance or administration of its duties hereunder or under the Stockholders' Representative Engagement Agreement. Such Stockholders' Representative Expenses may be recovered first, from the Expense Fund, second, from any distribution of the Indemnification Holdback Amount otherwise distributable to the Company Stockholders at the time of distribution, and third, directly from the Company Stockholders. The Company Stockholders acknowledge that the Stockholders' Representative shall not be required to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or pursuant to this Agreement or the transactions contemplated hereby. Furthermore, the Stockholders' Representative shall not be required to take any action unless the Stockholders' Representative has been provided with funds, security or indemnities which, in its determination, are sufficient to protect the Stockholders' Representative against the costs, expenses and liabilities which may be incurred by the Stockholders' Representative in performing such actions.

(f) Reliance. Parent, Merger Sub and the Surviving Corporation shall not be obliged to inquire into the authority of the Stockholders' Representative, and Parent, Merger Sub and the Surviving Corporation shall be fully protected in dealing with the Stockholders' Representative in good faith. The Stockholders' Representative shall be entitled to: (i) rely upon the Consideration Schedule, (ii) rely upon any signature believed by it to be genuine, and (iii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable Company Stockholder or other party.

(g) Successor Stockholders' Representative. If the Stockholders' Representative shall die, become disabled, resign or otherwise be unable to fulfill its responsibilities hereunder, the Company Stockholders who in the aggregate held at least a majority of the Company Capital Stock immediately prior to the Effective Time shall appoint a new Stockholders' Representative as soon as reasonably practicable by written consent by sending notice and a copy of the duly executed written consent appointing such new Stockholders' Representative to Parent and the Surviving Corporation. Such appointment will be effective upon the later of the date indicated in the consent or the date such consent is received by Parent and the Surviving Corporation. Company Stockholders who in the aggregate held at least a majority of the Company Capital Stock immediately prior to the Effective Time shall have the right at any time to remove the then-acting Stockholders' Representative and to appoint a successor Stockholders' Representative; provided, however, that neither such removal of the then acting Stockholders' Representative nor such appointment of a successor Stockholders' Representative shall be effective until the delivery to Parent and Surviving Corporation of executed counterparts of a writing signed by each such Company Stockholder with respect to such removal and appointment, together with an acknowledgment signed by the successor Stockholders' Representative appointed in such writing that it, he or she accepts the responsibility of successor Stockholders' Representative and agrees to perform and be bound by all of the provisions of this Agreement applicable to the Stockholders' Representative. The immunities and rights to indemnification shall survive the resignation or removal of the Stockholders' Representative or any member of the Advisory Group and the Closing and/or any termination of this Agreement. Each successor Stockholders' Representative shall have all of the power, authority, rights, privileges and obligations conferred by this Agreement upon the original Stockholders' Representative, and the term "Stockholders' Representative" as used herein shall be deemed to include any interim or successor Stockholders' Representative.

(h) Expense Fund. Upon the Closing, the Company shall wire to the Stockholders' Representative \$[\*\*\*] (the "Expense Fund Amount"). The Expense Fund Amount shall be held by the Stockholders' Representative in a segregated client account and shall be used (i) for the purposes of paying directly or reimbursing the Stockholders' Representative for any Stockholders' Representative Expenses incurred pursuant to this Agreement or any Stockholders' Representative Engagement Agreement, or (ii) as otherwise determined by the Advisory Group (the "Expense Fund"). The Stockholders' Representative is not providing any investment supervision, recommendations or advice and shall have no responsibility or liability for any loss of principal of the Expense Fund other than as a result of its gross negligence or willful misconduct. The Stockholders' Representative is not acting as a withholding agent or in any similar capacity in connection with the Expense Fund and has no tax reporting or income distribution obligations. The Company Stockholders will not receive any interest on the Expense Fund and assign to the Stockholders' Representative any such interest. Subject to Advisory Group approval, the

Stockholders' Representative may contribute funds to the Expense Fund from any consideration otherwise distributable to the Company Stockholders. As soon as reasonably determined by the Stockholders' Representative that the Expense Fund is no longer required to be withheld, the Stockholders' Representative shall distribute the remaining Expense Fund (if any) to Parent for further distribution to the Company Stockholders.

9.21 Waiver of Conflicts; Privilege.

(a) Each of the parties acknowledges and agrees that Goodwin Procter LLP ("Goodwin") has acted as counsel to the Company and the Stockholders' Representative in connection with the negotiation of this Agreement and consummation of the transactions contemplated hereby.

(b) Parent hereby consents and agrees to, and agrees to cause Surviving Corporation to consent and agree to, Goodwin representing the Stockholders' Representative after the Closing, including with respect to disputes in which the interests of the Stockholders' Representative may be directly adverse to Parent and its Subsidiaries (including the Surviving Corporation), and even though Goodwin may have represented the Company in a matter substantially related to any such dispute, or may be handling ongoing matters for the Company. Parent further consents and agrees to, and agrees to cause the Surviving Corporation to consent and agree to, the communication by Goodwin to the Stockholders' Representative in connection with any such representation of any fact known to Goodwin arising by reason of Goodwin's prior representation of the Company.

(c) In connection with the foregoing, Parent hereby irrevocably waives and agrees not to assert, and agrees to cause the Surviving Corporation to irrevocably waive and not to assert, any conflict of interest arising from or in connection with (i) Goodwin's prior representation of the Company and (ii) Goodwin's representation of the Stockholders' Representative prior to and after the Closing.

(d) Parent further agrees, on behalf of itself and, after the Closing, on behalf of the Surviving Corporation, that all communications in any form or format whatsoever between or among any of Goodwin, on the one hand, and the Company, the Company's Subsidiaries, the Stockholders' Representative and/or any Company Stockholder, or any of their respective directors, officers, employees or other Representatives, on the other hand, that relate in any way to the negotiation, documentation and consummation of the transactions contemplated by this Agreement or any dispute arising under this Agreement (collectively, the "Deal Communications") shall be deemed to be retained and owned collectively by the Company Stockholders, shall be controlled by the Stockholders' Representative on behalf of the Company Stockholders and shall not pass to or be claimed by Parent or the Surviving Corporation. All Deal Communications that are attorney-client privileged (the "Privileged Deal Communications") shall remain privileged after the Closing and the privilege and the expectation of client confidence relating thereto shall belong solely to the Stockholders' Representative and the Company Stockholders, shall be controlled by the Stockholders' Representative on behalf of the Company Stockholders and shall not pass to or be claimed by Parent or the Surviving Corporation.

(e) Notwithstanding the foregoing, in the event that a dispute arises between Parent or the Surviving Corporation, on the one hand, and a third party other than the Stockholders' Representative, on the other hand, Parent or the Surviving Corporation may assert the attorney-client privilege to prevent the disclosure of the Privileged Deal Communications to such third party; provided, however, that neither Parent nor the Surviving Corporation may knowingly waive such privilege without the prior written consent of the Stockholders' Representative (which such consent shall not be unreasonably withheld, conditioned or delayed); provided, further, that if Parent or the Surviving Corporation discloses any Privileged Deal Communications without the prior written consent of the Stockholders' Representative, then Parent and the Surviving Corporation shall use their reasonable best efforts to obtain a protective order with respect to, and to recover, such disclosed Privileged Deal Communications. In the event that Parent or the Surviving Corporation is legally required by applicable Law, an Order or otherwise to access or obtain a copy of all or a portion of the Privileged Deal Communications after the Closing, Parent shall promptly (and, in any event, within five (5) Business Days) notify the Stockholders' Representative (if after Closing) in writing (including by making specific reference to this Section 9.21(e)) so that the Stockholders' Representative can seek a protective order and Parent agrees to use all commercially reasonable efforts, at the sole cost and expense of the Stockholders' Representative, reasonably requested by the Stockholders' Representative to assist therewith.

(f) To the extent that files or other materials maintained by Goodwin constitute property of its clients, only the Stockholders' Representative shall hold such property rights and Goodwin shall have no duty to reveal or disclose any such files or other materials or any Privileged Deal Communications by reason of any attorney-client relationship between Goodwin, on the one hand, and Parent or the Surviving Corporation, on the other hand.

(g) Parent agrees that it will not, and that it will cause the Surviving Corporation not to, access or use the Privileged Deal Communications, including by way of review of any electronic data, communications or other information or seek to obtain the Deal Communications from Goodwin.

*(Signature Page Follows)*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.

**REVOLUTION MEDICINES, INC.**

By: /s/ Mark A. Goldsmith

Name: Mark A. Goldsmith, M.D., Ph.D.

Title: President and Chief Executive Officer

**TROTSKY MERGER SUB, INC.**

By: /s/ Margaret A. Horn

Name: Margaret A. Horn

Title: President

**WARP DRIVE BIO, INC.**

By: /s/ Laurence E. Reid

Name: Laurence E. Reid

Title: Chief Executive Officer

**FORTIS ADVISORS LLC**

By: /s/ Ryan Simkin

Name: Ryan Simkin

Title: Managing Director

[Signature Page to Agreement and Plan of Merger]

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
REVOLUTION MEDICINES, INC.**

(Pursuant to Sections 242 and 245 of the  
General Corporation Law of the State of Delaware)

**REVOLUTION MEDICINES, INC.**, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

**DOES HEREBY CERTIFY:**

1. That the name of this corporation is Revolution Medicines, Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law on October 7, 2014.

2. That the Board of Directors (the "**Board**") duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

**RESOLVED**, that the Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

**FIRST:** The name of this corporation is Revolution Medicines, Inc. (the "**Corporation**").

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808. The name of its registered agent at such address is Corporation Service Company.

**THIRD:** The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

**FOURTH:** The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 230,000,000 shares of Common Stock, \$0.0001 par value per share ("**Common Stock**") and (ii) 188,101,857 shares of Preferred Stock, \$0.0001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

## A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). No person entitled to vote at an election for directors may cumulate votes to which such person is entitled unless required by applicable law at the time of such election. During such time or times that the Corporation is subject to Section 2115(b) of the California Corporations Code, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder desires. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting, and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Amended and Restated Certificate of Incorporation (the "**Certificate of Incorporation**") the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

## B. PREFERRED STOCK

A total of 70,221,732 shares of the authorized Preferred Stock of the Corporation shall be designated as a series known as Series A Preferred Stock, \$0.0001 par value per share (the "**Series A Preferred Stock**"), a total of 74,000,000 shares of the authorized Preferred Stock of the Corporation shall be designated as a series known as Series B Preferred Stock, \$0.0001 par value per share (the "**Series B Preferred Stock**") and a total of 43,880,125 shares of the authorized Preferred Stock of the Corporation shall be designated as a series known as Series C Preferred Stock, \$0.0001 par value per share (the "**Series C Preferred Stock**"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

## 1. Dividends.

From and after the date of the issuance of any shares of Preferred Stock, dividends at the rate of 6% per annum of the applicable Original Issue Price (as defined below) shall accrue on such shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) (the “**Accruing Dividends**”). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Section 1 or in Subsection 2.1, such Accruing Dividends shall be payable only when, as, and if declared by the Board and the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the applicable Original Issue Price; provided that if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. The “**Series A Original Issue Price**” shall mean \$1.00 per share, the “**Series B Original Issue Price**” shall mean \$1.50 per share and the “**Series C Original Issue Price**” shall mean \$2.06 per share, in each case, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable series of Preferred Stock. The Series A Original Issue Price, Series B Original Issue Price and Series C Original Issue Price shall be known individually or collectively, as applicable, as the “**Original Issue Price.**”

## 2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, on a pari passu basis, an amount per share equal to (i) the Series A Original Issue Price, in the case of holders of shares of Series A Preferred Stock, (ii) the Series B Original Issue Price, in the case of holders of shares of Series B Preferred Stock, and (iii) the Series C Original Issue Price, in the case of holders of shares of Series C Preferred Stock, plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock pursuant to Subsection 2.1, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of the shares of Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation; provided however, if the aggregate amount which the holders of Preferred Stock are entitled to receive under Subsections 2.1 and 2.2 shall exceed two times the (i) Series A Original Issue Price per share, in the case of Series A Preferred Stock, (ii) Series B Original Issue Price per share, in the case of Series B Preferred Stock, and (iii) Series C Original Issue Price per share, in the case of Series C Preferred Stock (in each case subject to appropriate adjustments in the event of a stock split, dividend, combination, reclassification or similar event affecting the Preferred Stock) (the “**Maximum Participation Amount**”), each holder of Preferred Stock shall be entitled to receive upon such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event the greater of (i) the applicable Maximum Participation Amount and (ii) the amount such holder would have received if all shares of such series of Preferred Stock had been converted into Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event. The aggregate amount which a holder of a share of Preferred Stock is entitled to receive under Subsections 2.1 and 2.2 is hereinafter referred to as the “**Liquidation Amount.**”

### 2.3 Deemed Liquidation Events.

2.3.1 **Definition.** Each of the following events shall be considered a “**Deemed Liquidation Event**” unless the holders in the aggregate of a majority of the then-outstanding shares of Preferred Stock voting together as a single class on an as-converted basis (the “**Preferred Majority**”) elect otherwise by written notice sent to the Corporation at least five (5) days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

#### 2.3.2 **Effecting a Deemed Liquidation Event.**

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b) if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the Preferred Majority so requests in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing

distributions to stockholders (the “**Available Proceeds**”), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the applicable Liquidation Amount for each series of Preferred Stock. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall ratably redeem each holder’s shares of Preferred Stock to the fullest extent of such Available Proceeds in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such redemption if all amounts payable on or with respect to such shares were paid in full, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board.

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or any Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i) if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the “**Additional Consideration**”): (a) the portion of such consideration that is not Additional Consideration (such portion, the “**Initial Consideration**”) shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such liquidation, dissolution, or winding up or Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction, and any Merger Agreement therefore shall provide for the foregoing payments and allocations. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations, or as contingent payments upon the achievement of milestones, in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

### 3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the

number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

**3.2 Election of Directors.** The holders of record of the shares of Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the “**Series B Director**”), the holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the “**Series A Directors**,” together with the Series B Director, the “**Preferred Directors**”), the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation, and the holders of record of the shares of Preferred Stock and Common Stock, voting together as a single class, shall be entitled to elect all remaining directors of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series B Preferred Stock, Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series B Preferred Stock, Series A Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

**3.3 Preferred Stock Protective Provisions.** At any time when at least 5,000,000 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of the Preferred Majority, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void ab initio, and of no force or effect.

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Preferred Stock;

3.3.3 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock, or increase the authorized number of shares of Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4 (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with any series of Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to such series of Preferred Stock in respect of any such right, preference, or privilege or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to any series of Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with such series of Preferred Stock in respect of any such right, preference or privilege;

3.3.5 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, if any, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

3.3.6 create, or authorize the creation of, or issue, or authorize the issuance of any debt security, or permit any subsidiary to take any such action with respect to any debt security, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed \$1,000,000 other than equipment leases or bank lines of credit, unless such debt security has received the prior approval of the Board including the approval of at least a majority of the then-serving Preferred Directors; or

3.3.7 increase or decrease the authorized number of directors constituting the Board.

3.4 Series C Preferred Stock Protective Provisions. At any time when at least 8,756,025 shares of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the Series C Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void ab initio, and of no force or effect.

3.4.1 amend or waive the rights, preferences or privileges of the Series C Preferred Stock in a manner that adversely affects the Series C Preferred Stock (*provided* that the creation or issuance of a new series of senior Preferred Stock shall not in and of itself trigger such provision);

3.4.2 increase or decrease the number of authorized shares of Series C Preferred Stock; or

3.4.3 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing if the amount distributable in connection with such transaction to the holders of shares of Series C Preferred Stock in respect of each such share would be less than the Series C Original Issue Price (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock).

3.5 Series B Preferred Stock Protective Provisions. At any time when at least 6,000,000 shares of Series B Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of at least sixty-two and one-half percent (62.5%) of the holders of the Series B Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void ab initio, and of no force or effect.

3.5.1 amend or waive the rights, preferences or privileges of the Series B Preferred Stock in a manner that adversely affects the Series B Preferred Stock (*provided* that the creation or issuance of a new series of senior Preferred Stock shall not in and of itself trigger such provision); or

3.5.2 increase or decrease the number of authorized shares of Series B Preferred Stock.

3.6 Series A Preferred Stock Protective Provisions. At any time when at least 10,000,000 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of at least sixty-five percent (65%) of the holders of the Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void ab initio, and of no force or effect.

3.6.1 amend or waive the rights, preferences or privileges of the Series A Preferred Stock in a manner that adversely affects the Series A Preferred Stock (*provided* that the creation or issuance of a new series of senior Preferred Stock shall not in and of itself trigger such provision); or

3.6.2 increase or decrease the number of authorized shares of Series A Preferred Stock.

#### 4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the “**Conversion Rights**”):

##### 4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined (i) by dividing the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion, in the case of the Series A Preferred Stock, (ii) by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion, in the case of the Series B Preferred Stock, or (iii) by dividing the Series C Original Issue Price by the Series C Conversion Price (as defined below) in effect at the time of conversion, in the case of Series C Preferred Stock. The “**Series A Conversion Price**” shall initially be equal to \$1.00, the “**Series B Conversion Price**” shall initially be equal to \$1.50, and the “**Series C Conversion Price**” shall initially be equal to \$2.06. The Series A Conversion Price, the Series B Conversion Price and the Series C Conversion Price shall be known individually or collectively, as applicable, as the “**Conversion Price**.” Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

#### 4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the applicable Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted applicable Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the applicable Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Applicable Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

- Convertible Securities.
- (a) “**Option**” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.
  - (b) “**Series C Original Issue Date**” shall mean the date on which the first share of Series C Preferred Stock was issued.
  - (c) “**Convertible Securities**” shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.
  - (d) “**Additional Shares of Common Stock**” shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series C Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, “**Exempted Securities**”):
    - (i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;
    - (ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;
    - (iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board, including the approval of a majority of the then-serving Preferred Directors;
    - (iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security that is an Exempted Security;
    - (v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board, including the approval of a majority of the then-serving Preferred Directors;
    - (vi) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board, including the approval of a majority of the then-serving Preferred Directors; or

(vii) shares of Common Stock or Convertible Securities issued by the Company to the public pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "**Securities Act**").

4.4.2 No Adjustment of Conversion Price. No adjustment in the Series A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty-five percent (65%) of the then outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series B Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty-two and one-half percent (62.5%) of the then outstanding shares of Series B Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series C Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series C Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, such Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been

in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the applicable Conversion Price to an amount which exceeds the lower of (i) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series C Original Issue Date), are revised after the Series C Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4, the applicable Conversion Price shall be readjusted to such applicable Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended,

any adjustment to the applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time or from time to time after the Series C Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the applicable Conversion Price for any series of Preferred Stock in effect immediately prior to such issue, then such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP<sub>2</sub>" shall mean the applicable Conversion Price for such series of Preferred Stock in effect immediately after such issue of Additional Shares of Common Stock

(b) "CP<sub>1</sub>" shall mean the applicable Conversion Price for such series of Preferred Stock in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP<sub>1</sub> (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP<sub>1</sub>); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the applicable Conversion Price for shares of any series of Preferred Stock pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, such Conversion Price shall be readjusted to give effect to all such issuances as if they all occurred on the date of the additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series C Original Issue Date effect a subdivision of the outstanding Common Stock, the applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series C Original Issue Date combine the outstanding shares of Common Stock, the applicable Conversion Price for shares of each series of Preferred Stock in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the applicable Conversion Price for shares of each series of Preferred Stock in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction;

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of such series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or

distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of the applicable series of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of such series of Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the applicable Conversion Price for shares of such series of Preferred Stock) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the shares of such series of Preferred Stock. For the avoidance of doubt, nothing in this Subsection 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the DGCL in connection with a merger triggering an adjustment hereunder, nor shall this Subsection 4.8 be deemed conclusive evidence of the fair value of the shares of Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the applicable Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of shares of such affected series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which such series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the applicable Conversion Price then in effect for shares of such series of Preferred Stock, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of shares of such series of Preferred Stock.

4.10 Notice of Record Date. In the event:

- (a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or
- (b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or
- (c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least \$2.06 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act, resulting in at least \$50,000,000 of gross proceeds, following which the Corporation's Common Stock is listed on the New York Stock Exchange or Nasdaq, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Preferred Majority (which must include the consent or vote of the holders of at least forty-five percent (45%) of the then-outstanding shares of the Series C Preferred Stock) (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1, and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Reserved.

7. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

8. Waiver. Except as otherwise set forth in the Certificate of Incorporation, (i) any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the Preferred Majority, (ii) any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of holders of at least sixty-five percent (65%) of the then outstanding shares of Series A Preferred Stock, (iii) any of the rights, powers, preferences and other terms of the Series B Preferred Stock set forth herein may be waived on behalf of all holders of Series B Preferred Stock by the affirmative written consent or vote of holders of at least sixty-two and one-half percent (62.5%) of the then outstanding shares of Series B Preferred Stock and (iv) any of the rights, powers, preferences and other terms of the Series C Preferred Stock set forth herein may be waived on behalf of all holders of Series C Preferred Stock by the affirmative written consent or vote of holders of a majority of the then outstanding shares of Series C Preferred Stock.

9. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

**FIFTH:** Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

**SIXTH:** Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

**SEVENTH:** Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

**EIGHTH:** Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws of the Corporation.

**NINTH:** Except to the extent that the General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

**TENTH:** To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

**ELEVENTH:** The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “**Excluded Opportunity**” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, “**Covered Persons**”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Corporation.

**TWELFTH:** Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation’s certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

**THIRTEENTH:** For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Certificate of Incorporation from employees, officers, directors or consultants of the Company in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board (in addition to any other consent required under this Certificate of Incorporation), such repurchase may be made without regard to any “preferential dividends arrears amount” or “preferential rights amount” (as those terms are defined in Section

500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any “preferential dividends arrears amount” or “preferential rights amount” (as those terms are defined therein) shall be deemed to be zero (0).

\* \* \*

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation’s Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 3rd day of June, 2019.

REVOLUTION MEDICINES, INC.

By: /s/ Mark A. Goldsmith

Name: Mark A. Goldsmith, M.D., Ph.D.

Title: President and Chief Executive Officer

**CERTIFICATE OF AMENDMENT  
TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
REVOLUTION MEDICINES, INC.**

REVOLUTION MEDICINES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "**Corporation**"), does hereby certify that:

I. The name of the Corporation is Revolution Medicines, Inc.

II. The original Certificate of Incorporation of the Corporation was filed with the Secretary of the State of Delaware on October 7, 2014.

III. This amendment of the Amended and Restated Certificate of Incorporation of the Corporation (the "**Amended and Restated Certificate of Incorporation**"), herein certified was duly adopted by this Corporation's Board of Directors in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware, and the Corporation's stockholders have given their written consent in accordance with Section 228 of the General Corporation Law of the State of Delaware.

IV. The first sentence of Article FOURTH of the Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 235,000,000 shares of Common Stock, \$0.0001 par value per share ("**Common Stock**") and (ii) 192,904,770 shares of Preferred Stock, \$0.0001 par value per share ("**Preferred Stock**")."

V. The first sentence of Section B, Article FOURTH of the Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"A total of 70,221,732 shares of the authorized Preferred Stock of the Corporation shall be designated as a series known as Series A Preferred Stock, \$0.0001 par value per share (the "**Series A Preferred Stock**"), a total of 74,000,000 shares of the authorized Preferred Stock of the Corporation shall be designated as a series known as Series B Preferred Stock, \$0.0001 par value per share (the "**Series B Preferred Stock**") and a total of 48,683,038 shares of the authorized Preferred Stock of the Corporation shall be designated as a series known as Series C Preferred Stock, \$0.0001 par value per share (the "**Series C Preferred Stock**"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations."

VI. All other provisions of the Amended and Restated Certificate of Incorporation shall remain in full force and effect.

(Signature page follows)

**IN WITNESS WHEREOF**, Revolution Medicines, Inc. has caused this Certificate of Amendment to the Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer on this 2nd day of July, 2019.

/s/ Mark Goldsmith, M.D., Ph.D.

Mark Goldsmith, M.D., Ph.D.

President and Chief Executive Officer

SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION OF REVOLUTION MEDICINES, INC.

**CERTIFICATE OF AMENDMENT  
TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
REVOLUTION MEDICINES, INC.**

REVOLUTION MEDICINES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "**Corporation**"), does hereby certify that:

I. The name of the Corporation is Revolution Medicines, Inc.

II. The original Certificate of Incorporation of the Corporation was filed with the Secretary of the State of Delaware on October 7, 2014.

III. This amendment of the Amended and Restated Certificate of Incorporation of the Corporation, as amended (the "**Amended and Restated Certificate of Incorporation**"), herein certified was duly adopted by this Corporation's Board of Directors in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware, and the Corporation's stockholders have given their written consent in accordance with Section 228 of the General Corporation Law of the State of Delaware.

IV. The first sentence of Article FOURTH of the Amended and Restated Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 249,000,000 shares of Common Stock, \$0.0001 par value per share ("**Common Stock**") and (ii) 192,904,770 shares of Preferred Stock, \$0.0001 par value per share ("**Preferred Stock**")."

V. All other provisions of the Amended and Restated Certificate of Incorporation shall remain in full force and effect.

(Signature page follows)

**IN WITNESS WHEREOF**, Revolution Medicines, Inc. has caused this Certificate of Amendment to the Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer on this 11th day of September, 2019.

/s/ Mark Goldsmith, M.D., Ph.D.

Mark Goldsmith, M.D., Ph.D.

President and Chief Executive Officer

SIGNATURE PAGE TO CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION OF REVOLUTION MEDICINES, INC.

**AMENDED AND RESTATED BYLAWS**

**OF**

**REVOLUTION MEDICINES, INC.**

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**(A DELAWARE CORPORATION)**

**AMENDED AND RESTATED BYLAWS**

**OF**

**REVOLUTION MEDICINES, INC.**

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**(A DELAWARE CORPORATION)**

**ARTICLE I.**

**OFFICES**

**Section 1. Registered Office.** The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

**Section 2. Other Offices.** The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

**ARTICLE II.**

**CORPORATE SEAL**

**Section 3. Corporate Seal.** The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

**ARTICLE III.**

**STOCKHOLDERS' MEETINGS**

**Section 4. Place of Meetings.** Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("**DGCL**").

**Section 5. Annual Meeting.**

**(a)** The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors.

Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in the following paragraph, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5.

**(b)** At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Amended and Restated Bylaws ("**Bylaws**"), (i) the stockholder must have given timely notice thereof in writing to the Secretary of the corporation, (ii) such other business must be a proper matter for stockholder action under the DGCL, (iii) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the corporation with a Solicitation Notice (as defined in this Section 5(b)), such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the corporation's voting shares reasonably believed by such stockholder or beneficial owner to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice, and (iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section 5. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90<sup>th</sup>) day nor earlier than the close of business on the one hundred twentieth (120<sup>th</sup>) day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120<sup>th</sup>) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90<sup>th</sup>) day prior to such annual meeting or the tenth (10<sup>th</sup>) day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (A) as to each person whom the stockholder proposed to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act") and Rule 14a-4(d) thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such

stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (ii) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner, and (iii) whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of the proposal, at least the percentage of the corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (an affirmative statement of such intent, a "Solicitation Notice").

**(c)** Notwithstanding anything in the second sentence of Section 5(b) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10<sup>th</sup>) day following the day on which such public announcement is first made by the corporation.

**(d)** Only such persons who are nominated in accordance with the procedures set forth in this Section 5 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 5. Except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

**(e)** Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, stockholders must provide notice as required by the regulations promulgated under the 1934 Act. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation proxy statement pursuant to Rule 14a-8 under the 1934 Act.

**(f)** For purposes of this Section 5, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

## Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (iv) by the holders of shares entitled to cast not less than twenty (20%) of the votes at the meeting, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix. At any time or times that the corporation is subject to Section 2115(b) of the California General Corporation Law (“CGCL”), stockholders holding five percent (5%) or more of the outstanding shares shall have the right to call a special meeting of stockholders as set forth in Section 18(b) herein.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by telegraphic or other facsimile transmission to the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary of the corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than thirty-five (35) nor more than one hundred twenty (120) days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

**Section 7. Notice of Meetings.** Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder’s address as it appears on the records of the corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

**Section 8. Quorum.** At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

**Section 9. Adjournment and Notice of Adjourned Meetings.** Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

**Section 10. Voting Rights.** For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

**Section 11. Joint Owners of Stock.** If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

**Section 12. List of Stockholders.** The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

**Section 13. Action Without Meeting.**

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the corporation as provided in Section 228(c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the state of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the board of directors of the corporation. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

#### **Section 14. Organization.**

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

#### ARTICLE IV.

#### DIRECTORS

##### Section 15. Number and Term of Office.

The authorized number of directors of the corporation shall be fixed by the Board of Directors from time to time. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient.

**Section 16. Powers.** The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

##### Section 17. Term of Directors.

(a) Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders to serve until the next annual meeting of stockholders and his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(b) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless, at the time of such election, the corporation is subject to Section 2115(b) of the CGCL. During such time or times that the corporation is subject to Section 2115(b) of the CGCL, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many

candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

#### **Section 18. Vacancies.**

(a) Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

(b) At any time or times that the corporation is subject to §2115(b) of the CGCL, if, after the filling of any vacancy, the directors then in office who have been elected by stockholders shall constitute less than a majority of the directors then in office, then

(i) any holder or holders of an aggregate of five percent (5%) or more of the total number of shares at the time outstanding having the right to vote for those directors may call a special meeting of stockholders; or

(ii) the Superior Court of the proper county shall, upon application of such stockholder or stockholders, summarily order a special meeting of the stockholders, to be held to elect the entire board, all in accordance with Section 305(c) of the CGCL, the term of office of any director shall terminate upon that election of a successor.

**Section 19. Resignation.** Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the

pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

#### **Section 20. Removal.**

(a) Subject to any limitations imposed by applicable law (and assuming the corporation is not subject to Section 2115 of the CGCL), the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors or (ii) without cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation, entitled to elect such director.

(b) During such time or times that the corporation is subject to Section 2115(b) of the CGCL, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal; *provided, however*, that unless the entire Board is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

#### **Section 21. Meetings**

(a) **Regular Meetings.** Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, including a voice messaging system or other system designated to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) **Special Meetings.** Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the President or any director.

(c) **Meetings by Electronic Communications Equipment.** Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

**(d) Notice of Special Meetings.** Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, postage prepaid at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

**(e) Waiver of Notice.** The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

#### **Section 22. Quorum and Voting.**

**(a)** Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however*, at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

**(b)** At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

**Section 23. Action Without Meeting.** Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

**Section 24. Fees and Compensation.** Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

**Section 25. Committees.**

**(a) Executive Committee.** The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the corporation.

**(b) Other Committees.** The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

**(c) Term.** The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Bylaw may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

**(d) Meetings.** Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such

committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

**Section 26. Organization.** At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or if the President is absent, the most senior Vice President, (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

## **ARTICLE V.**

### **OFFICERS**

**Section 27. Officers Designated.** The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Controllers, Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

#### **Section 28. Tenure and Duties of Officers.**

**(a) General.** All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

**(b) Duties of Chairman of the Board of Directors.** The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in paragraph (c) of this Section 28.

**(c) Duties of President.** The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless some other officer has been elected Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

**(d) Duties of Vice Presidents.** The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

**(e) Duties of Secretary.** The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

**(f) Duties of Chief Financial Officer.** The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

**Section 29. Delegation of Authority.** The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

**Section 30. Resignations.** Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

**Section 31. Removal.** Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written or electronic consent of the directors in office at the time, or by any committee or superior officers.

## ARTICLE VI.

### EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

**Section 32. Execution of Corporate Instruments.** The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

**Section 33. Voting of Securities Owned by the Corporation.** All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

## ARTICLE VII.

### SHARES OF STOCK

**Section 34. Form and Execution of Certificates.** The shares of the corporation shall be represented by certificates, or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation represented by certificate shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

**Section 35. Lost Certificates.** A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

**Section 36. Restrictions on Transfer.**

(a) No holder of any of the shares of stock of the corporation may sell, transfer, assign, pledge, or otherwise dispose of or encumber any of the shares of stock of the corporation or any right or interest therein, or grant an economic interest in, whether voluntarily or by operation of law, or by gift or otherwise (each, a "**Transfer**") without the prior written consent of the corporation, upon duly authorized action of its Board of Directors. The corporation may withhold consent for any legitimate corporate purpose, as determined by the Board of Directors. Examples of the basis for the corporation to withhold its consent include, without limitation, (i) if such Transfer to individuals, companies or any other form of entity identified by the corporation as a potential competitor or considered by the corporation to be unfriendly; or (ii) if such Transfer increases the risk of the corporation having a class of security held of record by two thousand (2,000) or more persons, or five hundred (500) or more persons who are not accredited investors (as such term is defined by the SEC), as described in Section 12(g) of the 1934 Act and any related regulations, or otherwise requiring the corporation to register any class of securities under the 1934 Act; or (iii) if such Transfer would result in the loss of any federal or state securities law exemption relied upon by the corporation in connection with the initial issuance of such shares or the issuance of any other securities; or (iv) if such Transfer is facilitated in any manner by any public posting, message board, trading portal, internet site, or similar method of communication, including without limitation any trading portal or internet site intended to facilitate secondary transfers of securities; or (v) if such Transfer is to be effected in a brokered transaction; or (vi) if such Transfer represents a Transfer of less than all of the shares then held by the stockholder and its affiliates or is to be made to more than a single transferee.

(b) If a stockholder desires to Transfer any shares, then the stockholder shall first give written notice thereof to the corporation. The notice shall name the proposed transferee and state the number of shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer. Any shares proposed to be transferred to which Transfer the corporation has consented pursuant to Section 36(a) will first be subject to the corporation's right of first refusal located in Section 46 hereof.

(c) Any Transfer, or purported Transfer, of shares not made in strict compliance with this Section 36 shall be null and void, shall not be recorded on the books of the corporation and shall not be recognized by the corporation.

(d) The foregoing restriction on Transfer shall terminate upon the date securities of the corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

(e) The certificates representing shares of stock of the corporation shall bear on their face the following legend so long as the foregoing Transfer restrictions are in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A TRANSFER RESTRICTION, AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

(f) The provisions of this Section 36 shall not apply to any Transfer of Preferred Stock of the corporation or the shares of Common Stock issued upon conversion thereof.

### **Section 37. Fixing Record Dates.**

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

**Section 38. Registered Stockholders.** The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

## ARTICLE VIII.

### OTHER SECURITIES OF THE CORPORATION

**Section 39. Execution of Other Securities.** All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 34), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal

impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however*, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

## ARTICLE IX.

### DIVIDENDS

**Section 40. Declaration of Dividends.** Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

**Section 41. Dividend Reserve.** Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

## ARTICLE X.

### FISCAL YEAR

**Section 42. Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI.

INDEMNIFICATION

**Section 43. Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.**

**(a) Directors and Executive Officers.** The corporation shall indemnify its directors and executive officers to the fullest extent not prohibited by the DGCL or any other applicable law; *provided, however*, that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further*, that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Delaware General Corporation Law or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

**(b) Other Officers, Employees and Other Agents.** The corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

**(c) Expenses.** The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding, *provided, however*, that, if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 43 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Bylaw, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation, in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of a quorum consisting of directors who were not parties to the proceeding,

even if not a quorum, or (ii) by a committee of such directors designated by a majority of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

**(d) Enforcement.** Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this Bylaw to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise as a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this Article XI or otherwise shall be on the corporation.

**(e) Non-Exclusivity of Rights.** The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL or any other applicable law.

**(f) Survival of Rights.** The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, executive officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**(g) Insurance.** To the fullest extent permitted by the DGCL, or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

**(h) Amendments.** Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

**(i) Saving Clause.** If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law. If this Section 43 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under applicable law.

**(j) Certain Definitions.** For the purposes of this Bylaw, the following definitions shall apply:

**(1)** The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

**(2)** The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

**(3)** The term the “corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a “director,” “executive officer,” “officer,” “employee,” or “agent” of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(5) References to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this Bylaw.

## ARTICLE XII.

### NOTICES

#### Section 44. Notices.

**(a) Notice to Stockholders.** Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by United States mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

**(b) Notice to Directors.** Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in Section 21 of these Bylaws. If such notice is not delivered personally, it shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

**(c) Affidavit of Mailing.** An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

**(d) Methods of Notice.** It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

**(e) Notice to Person with Whom Communication Is Unlawful.** Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

**(f) Notice to Stockholders Sharing an Address.** Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

## **ARTICLE XIII.**

### **AMENDMENTS**

**Section 45. Amendments.** The Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the corporation; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

## **ARTICLE XIV.**

### **RIGHT OF FIRST REFUSAL**

**Section 46. Right of First Refusal.** No stockholder shall Transfer any of the shares of stock of the corporation, except by a Transfer which meets the requirements set forth in Section 36 and below:

**(a)** If the stockholder desires to Transfer any of his shares of stock, then the stockholder shall first give the notice specified in Section 36(b) hereof and comply with the provisions therein.

**(b)** For thirty (30) days following receipt of such notice, the corporation shall have the option to purchase all (but not less than all) of the shares specified in the notice at the price and upon the terms set forth in such notice; *provided, however*, that, with the consent of the stockholder, the corporation shall have the option to purchase a lesser portion of the shares specified in said notice at the price and upon the terms set forth therein. In the event of a gift, property settlement or other Transfer in which the proposed transferee is not paying the full price for the shares, and that is not otherwise exempted from the provisions of this Section 46, the price shall be deemed to be the fair market value of the stock at such time as determined in good faith by the Board of Directors. In the event the corporation elects to purchase all of the shares or, with consent of the stockholder, a lesser portion of the shares, it shall give written notice to the transferring stockholder of its election and settlement for said shares shall be made as provided below in paragraph (d).

**(c)** The corporation may assign its rights hereunder.

**(d)** In the event the corporation and/or its assignee(s) elect to acquire any of the shares of the transferring stockholder as specified in said transferring stockholder's notice, the Secretary of the corporation shall so notify the transferring stockholder and settlement thereof shall be made in cash within thirty (30) days after the Secretary of the corporation receives said transferring stockholder's notice; provided that if the terms of payment set forth in said transferring stockholder's notice were other than cash against delivery, the corporation and/or its assignee(s) shall pay for said shares on the same terms and conditions set forth in said transferring stockholder's notice.

**(e)** In the event the corporation and/or its assignees(s) do not elect to acquire all of the shares specified in the transferring stockholder's notice, said transferring stockholder may, subject to the corporation's approval and all other restrictions on Transfer located in Section 36 hereof, within the sixty-day period following the expiration or waiver of the option rights granted to the corporation and/or its assignees(s) herein, Transfer the shares specified in said transferring stockholder's notice which were not acquired by the corporation and/or its assignees(s) as specified in said transferring stockholder's notice. All shares so sold by said transferring stockholder shall continue to be subject to the provisions of this bylaw in the same manner as before said Transfer.

**(f)** Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this bylaw

**(1)** A stockholder's Transfer of any or all shares held either during such stockholder's lifetime or on death by will or intestacy to such stockholder's immediate family or to any custodian or trustee for the account of such stockholder or such stockholder's immediate family or to any limited partnership of which the stockholder, members of such stockholder's immediate family or any trust for the account of such stockholder or such stockholder's immediate family will be the general or limited partner(s) of such partnership. "Immediate family" as used herein shall mean spouse, lineal descendant, father, mother, brother, or sister of the stockholder making such Transfer;

(2) A stockholder's bona fide pledge or mortgage of any shares with a commercial lending institution, provided that any subsequent Transfer of said shares by said institution shall be conducted in the manner set forth in this bylaw;

(3) A stockholder's Transfer of any or all of such stockholder's shares to the corporation or to any other stockholder of the corporation;

(4) A stockholder's Transfer of any or all of such stockholder's shares to a person who, at the time of such Transfer, is an officer or director of the corporation;

(5) A corporate stockholder's Transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of shares or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder;

(6) A corporate stockholder's Transfer of any or all of its shares to any or all of its stockholders; or

(7) A Transfer by a stockholder which is a limited or general partnership to any or all of its partners or former partners in accordance with partnership interests.

In any such case, the transferee, assignee, or other recipient shall receive and hold such stock subject to the provisions of this Section 46 and the transfer restrictions in Section 36, and there shall be no further Transfer of such stock except in accord with this bylaw and the transfer restrictions in Section 36.

(g) The provisions of this bylaw may be waived with respect to any Transfer either by the corporation, upon duly authorized action of its Board of Directors, or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the corporation (excluding the votes represented by those shares to be transferred by the transferring stockholder). This bylaw may be amended or repealed either by a duly authorized action of the Board of Directors or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the corporation.

(h) Any Transfer, or purported Transfer, of securities of the corporation shall be null and void unless the terms, conditions, and provisions of this bylaw are strictly observed and followed.

(i) The foregoing right of first refusal shall terminate upon the date securities of the corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

(j) The certificates representing shares of stock of the corporation shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(S), AS PROVIDED IN THE BYLAWS OF THE CORPORATION.”

(k) The provisions of this Section 46 shall not apply to any Transfer of Preferred Stock of the corporation or the shares of Common Stock issued upon conversion thereof.

## ARTICLE XV.

### LOANS TO OFFICERS

**Section 47. Loans to Officers.** Except as otherwise prohibited under applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a Director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

## ARTICLE XVI.

### MISCELLANEOUS

#### **Section 48. Annual Report.**

(a) Subject to the provisions of paragraph (b) of this bylaw, the Board of Directors shall cause an annual report to be sent to each stockholder of the corporation not later than one hundred twenty (120) days after the close of the corporation's fiscal year. Such report shall include a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation. When there are more than 100 stockholders of record of the corporation's shares, as determined by Section 605 of the CGCL, additional information as required by Section 1501(b) of the CGCL shall also be contained in such report, provided that if the corporation has a class of securities registered under Section 12 of the 1934 Act, the 1934 Act shall take precedence. Such report shall be sent to stockholders at least fifteen (15) days prior to the next annual meeting of stockholders after the end of the fiscal year to which it relates.

(b) If and so long as there are fewer than 100 holders of records of the corporation's shares, the requirement of sending of an annual report to the stockholders of the corporation is hereby expressly waived.

**REVOLUTION MEDICINES, INC.**

**AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

**June 5, 2019**

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## AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

**THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT** (this "**Agreement**"), is made as of the 5th day of June, 2019, by and among **REVOLUTION MEDICINES, INC.**, a Delaware corporation (the "**Company**"), and each of the investors listed on **Schedule A** hereto, each of which is referred to in this Agreement as an "**Investor**," and any Additional Purchaser (as defined in the Purchase Agreement) that becomes a party to this Agreement in accordance with **Section 6.9** hereof (collectively, "**Investors**"), and amends and restates that certain Investors' Rights Agreement, dated as of March 23, 2018, by and among the Company and the investors listed on Schedule A thereto, as amended (the "**Prior Agreement**").

### **RECITALS**

**WHEREAS**, the Company and certain of the Investors (the "**Existing Investors**") are parties to the Prior Agreement;

**WHEREAS**, the Company and certain of the Investors (the "**Participating Investors**") are parties to the Series C Preferred Stock Purchase Agreement dated June 2, 2019 (the "**Purchase Agreement**");

**WHEREAS**, in order to induce the Company to enter into the Purchase Agreement and to induce the Participating Investors to invest funds in the Company pursuant to the Purchase Agreement, the Existing Investors and the Company hereby agree that the Prior Agreement shall be amended and restated in its entirety, and this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock (as defined below) issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement; and

**WHEREAS**, pursuant to Section 6.6 of the Prior Agreement, the amendment or waiver of any term of the Prior Agreement requires the written consent of the Company and the holders of at least a majority of the Registrable Securities (as defined in the Prior Agreement) then outstanding. The undersigned, representing the Company and the holders of at least a majority of the Registrable Securities (as defined in the Prior Agreement) then outstanding, desire to enter into this Agreement in order to amend and restate the Prior Agreement, as set forth more fully below.

**NOW, THEREFORE**, the parties hereby agree as follows:

1. **Definitions.** For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person, or any venture capital fund or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company or investment advisor with, such Person.

1.2 “**Common Stock**” means shares of the Company’s common stock, par value \$0.0001 per share.

1.3 “**Damages**” means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.4 “**Derivative Securities**” means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.5 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.6 “**Excluded Registration**” means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.7 “**Form S-1**” means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.8 “**Form S-3**” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.9 “**GAAP**” means generally accepted accounting principles in the United States.

1.10 “**Holder**” means any holder of Registrable Securities who is a party to this Agreement.

1.11 “**Immediate Family Member**” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.12 “**Initiating Holders**” means, collectively, Holders who properly initiate a registration request under this Agreement.

1.13 “**IPO**” means the Company’s first underwritten public offering of its Common Stock under the Securities Act.

1.14 “**Key Employee**” means any executive-level employee (including, division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property (as defined in the Purchase Agreement).

1.15 “**Major Investor**” means any Investor that, individually or together with such Investor’s Affiliates, holds at least 1,066,666 shares of Registrable Securities (in each case, as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.16 “**New Securities**” means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.17 “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.18 “**Preferred Director**” means any director of the Company that the holders of record of the Series A Preferred Stock or Series B Preferred Stock are entitled to elect pursuant to the Company’s Certificate of Incorporation.

1.19 “**Preferred Stock**” means, collectively, shares of the Company’s Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

1.20 “**Registrable Securities**” means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion, exercise of any other securities of the Company or both, acquired by the Investors after the date hereof; (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.21 “**Registrable Securities then outstanding**” means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.22 “**Restricted Securities**” means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.23 “**SEC**” means the Securities and Exchange Commission.

1.24 “**SEC Rule 144**” means Rule 144 promulgated by the SEC under the Securities Act.

1.25 “**SEC Rule 145**” means Rule 145 promulgated by the SEC under the Securities Act.

1.26 “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.27 “**Selling Expenses**” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.28 “**Series A Preferred Stock**” means shares of the Company’s Series A Preferred Stock, par value \$0.0001 per share.

1.29 “**Series B Preferred Stock**” means shares of the Company’s Series B Preferred Stock, par value \$0.0001 per share.

1.30 “**Series C Preferred Stock**” means shares of the Company’s Series C Preferred Stock, par value \$0.0001 per share.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders in the aggregate of a majority of Registrable Securities, (each, as applicable, the “**Preferred Majority**”) that the Company file a Form S-1 registration statement with respect to at least forty percent (40%) of the Registrable Securities then outstanding, then the Company shall (x) within ten (10) days after the

date such request is given, give notice thereof (the “**Demand Notice**”) to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least twenty percent (20%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least \$5.0 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company’s chief executive officer stating that in the good faith judgment of the Company’s Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period other than pursuant to a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a)(i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

### 2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter(s)

advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below twenty percent (20%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as “effected” if, as a result of an exercise of the underwriter’s cutback provisions in Subsection 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

**2.4 Obligations of the Company.** Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to one hundred twenty (120) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

**2.5 Furnish Information.** It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

**2.6 Expenses of Registration.** All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed \$25,000, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders in the aggregate of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be

included in the withdrawn registration), unless such Holders agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel, accountants and investment advisers for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection

with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or

omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Preferred Majority, enter into any agreement with any holder or prospective holder of any securities of the Company that allow such holder or prospective holder (i) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days following the effective date of the registration statement for the IPO), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for the IPO or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than 1 percent (1%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto.

#### 2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any

proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement. Notwithstanding the foregoing, the Company shall not require any transferee of shares pursuant to an effective registration statement or, following the IPO, SEC Rule 144 to be bound by the terms of this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(a) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction or, following the IPO, the transfer is made pursuant to SEC Rule 144, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any

transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each, except for transfers pursuant to clause (x) following the IPO, transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earlier to occur of:

(a) the closing of a Deemed Liquidation Event (as such term is defined in the Company's Certificate of Incorporation); provided, that the consideration (if any) to be provided in such Deemed Liquidation Event consists solely of cash, marketable securities or securities for which the Company or a third party has agreed to register for resale with the SEC or applicable foreign regulatory authorities;

(b) following the IPO, such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration; and

(c) the fifth (5th) anniversary of the IPO.

### 3. Information Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company:

(a) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Subsection 3.1(d)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, with such financial statements to be audited and certified by independent public accountants of nationally recognized standing selected by the Company at such time as requested by the Preferred Majority;

(b) as soon as practicable following a request by a Major Investor, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable following a request by a Major Investor, but in any event within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable following a request by a Major Investor, but in any event at least thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the “**Budget**”), approved by the Board of Directors and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(e) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date thirty (30) days before the Company’s good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company’s covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

**3.2 Inspection.** The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company), at such Major Investor’s expense, to visit and inspect the Company’s properties; examine its books of account and records; and discuss the Company’s affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 ERISA. The Company shall provide notice, in writing, to each Major Investor as soon as is reasonably practicable upon determining that the assets of the Company are “plan assets” for purposes of the Employee Retirement Income Security Act of 1974, as amended.

3.4 Intentionally Omitted.

3.5 Termination of Information Rights. The covenants set forth in Subsection 3.1, Subsection 3.2 and Subsection 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon a Deemed Liquidation Event, as such term is defined in the Company’s Certificate of Incorporation, whichever event occurs first, provided, that, with respect to a Deemed Liquidation Event, the covenants set forth in Subsection 3.1 shall only terminate if the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities unless (i) the Investors receive a contractual right to receive financial information from the acquiring company or other successor to the Company comparable to those set forth in Section 3.1 or (ii) the acquiring company or other successor to the Company is subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act.

3.6 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company’s intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company’s confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.6; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. The Company shall not publicly disclose (on its website, in a press release or other similar public disclosure) the name of SCubed Capital, LLC, Sobrato Family Holdings, LLC, Harvard Management Private Equity Corporation, PH Investments, LLC, Portland RevMed EP, LLC, Portland RevMed PIA, LLC or Fifth Avenue Private Equity 14 LLC, or any of their Affiliates, or that any such Investor (or any Affiliate of such Investor) is a stockholder of the Company without the prior written consent of such Investor, except as required by law, rule, regulation or listing standard; provided, that any consent to public disclosure by an Investor shall be deemed to be consent to other disclosures that are substantially consistent with such other public disclosure to which such Investor has previously consented, unless indicated otherwise by such Investor.

#### 4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor and The Board of Trustees of the University of Illinois (the “**University Investor**”). A Major Investor and the University Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having “beneficial ownership,” as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor. The University Investor shall be permitted to apportion its right of first offer granted hereby to other individuals or entities that are not competitors of the Company; provided, that the University Investor provides the Company with prior written notice of such assignment.

(a) The Company shall give notice (the “**Offer Notice**”) to each Major Investor and the University Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor and the University Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the quotient determined by dividing (A) (i) the shares of Common Stock then held by such Major Investor that have been issued or are then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor (excluding any University Shares) and (ii) the University Shares, by (B) the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a “**Fully Exercising Investor**”) of any other Major Investor’s failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of ninety (90) days of the

date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c). For purposes of this Agreement, the “**University Shares**” means the 500,000 shares of the Company’s common stock issued to the University pursuant to that certain License Agreement with Equity dated December 18, 2014 by and between the Company and the University, as first amended on August 26, 2016, and subsequently amended and restated on December 19, 2016 (the “**License Agreement**”), the shares of Series A Preferred Stock issued to Illinois Emerging Technologies Fund III, L.P. on April 3, 2017 and any subsequent shares issued to the University Investor by the Company.

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors and the University in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Company’s Certificate of Incorporation); (ii) shares of Common Stock issued in the IPO; and (iii) the issuance of shares of Series C Preferred Stock pursuant to the Purchase Agreement.

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon a Deemed Liquidation Event, as such term is defined in the Company’s Certificate of Incorporation, whichever event occurs first.

## 5. Additional Covenants.

5.1 Tax Treatment. For U.S. income tax reporting purposes, unless otherwise required pursuant to a “determination” as defined under Section 1313(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), a change in law or additional guidance issued by the Internal Revenue Service, or a change in terms or other facts, in each case applicable to the Preferred Stock, each of the Company and the Investors shall not treat the accrual of the Accruing Dividends (as such term is defined in the Company’s Certificate of Incorporation) pursuant to Section 1 of the Company’s Certificate of Incorporation as constructive dividends under Section 305 of the Code to the Investors and each of the Company and the Investors shall file tax returns in a manner consistent with such tax treatment.

5.2 Insurance. The Company has obtained, from financially sound and reputable insurers, Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, and will use commercially reasonable efforts to cause such insurance to be maintained until such time as the Board of Directors determines that such insurance should be discontinued.

5.3 Employee Agreements. The Company will cause each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement substantially in the form approved by the Board of Directors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of a majority of the then-serving Preferred Directors.

5.4 Employee Stock. Unless otherwise approved by the Board of Directors, including a majority of the then-serving Preferred Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock (collectively, "**Stock Awards**") after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, including a majority of the then-serving Preferred Directors, the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.5 Matters Requiring Investor Director Approval. So long as the holders of Preferred Stock are entitled to elect Preferred Directors, the Company hereby covenants and agrees with each of the Investors that it shall not, without approval of the Board of Directors, which approval must include the affirmative vote of a majority of the then-serving Preferred Directors:

(a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors;

(c) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) make any investment inconsistent with any investment policy approved by the Board of Directors;

(e) incur any aggregate indebtedness in excess of \$1,000,000 that is not already included in a budget approved by the Board of Directors, other than trade credit incurred in the ordinary course of business;

(f) otherwise enter into or be a party to any transaction with any director, officer, or employee of the Company or any “associate” (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person, including without limitation any “management bonus” or similar plan providing payments to employees in connection with a Deemed Liquidation Event, as such term is defined in the Company’s Certificate of Incorporation, except for transactions contemplated by this Agreement, the Purchase Agreement, and that certain Consultant’s Agreement between the Company and Martin Burke, M.D., Ph.D. dated November 25, 2014 and transactions resulting in payments to or by the Company in an aggregate amount less than \$120,000 per year;

(g) hire, terminate, or change the compensation of the executive officers, including approving any option grants or stock awards to executive officers;

(h) change the principal business of the Company, enter new lines of business, or exit the current line of business;

(i) sell, assign, license, pledge, or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business; or

(j) enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or to the Company of money or assets greater than \$1,000,000.

5.6 Board Matters. The Company shall reimburse the directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company’s travel policy) in connection with attending meetings of the Board of Directors.

5.7 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company’s Bylaws, its Certificate of Incorporation, or elsewhere, as the case may be.

5.8 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a “**Fund Director**”) may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the “**Fund Indemnitors**”). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance

the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.9 Right to Conduct Activities. The Company hereby agrees and acknowledges that Third Rock Ventures IV, L.P., The Column Group III, LP, The Column Group III-A, LP, Pono Capital, LP, Pono Capital II, LP, Illinois Emerging Technologies Fund III, L.P., Nextech V Oncology S.C.S., SICAV-SIF, Casdin Partners Master Fund, L.P., IST3 Manesse PE LP, Schroder Adveq Technology IX S.C.S., Harvard Management Private Equity Corporation, SCubed Capital, LLC, Sobrato Family Holdings, LLC, PH Investments, LLC, Portland RevMed EP, LLC, Portland RevMed PIA, LLC, Fifth Avenue Private Equity 14 LLC, Greylock XIII Limited Partnership, Boxer Capital, LLC and Deerfield Private Design Fund IV, L.P. and Deerfield Special Situations Fund, L.P. (together with their respective Affiliates, the "**VC Funds**") are professional investment funds, and as such invest in numerous portfolio companies (including publicly traded companies), some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, the VC Funds shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by the VC Funds in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of the VC Funds to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company. Nothing in this Agreement shall preclude or create an obligation or duty restricting the VC Funds, as applicable, from evaluating or purchasing securities, include publicly traded securities, of a particular enterprise, whether or not such enterprise has products or services which complete with those of the Company.

5.10 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.8, 5.9 and 5.10, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO or (ii) upon a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation, whichever event occurs first.

## 6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of California without regard to principles of conflicts of laws.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by confirmed electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5.

All communications to the Company shall be sent to:

REVOLUTION Medicines, Inc.  
700 Saginaw Drive  
Redwood City, CA 94063  
Attn: Margaret Horn  
Email: Peg@revolutionmedicines.com

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP  
140 Scott Drive  
Menlo Park, California 94025  
Attn: Mark V. Roeder  
Email: mark.roeder@lw.com

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and Preferred Majority; provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision. Pursuant to Section 6.6 of the Prior Agreement, the undersigned Investors who were also parties to the Prior Agreement and constitute the holders of the requisite number of Registrable Securities to amend the Prior Agreement hereby waive all rights on behalf of themselves and on behalf of all other persons entitled to such rights under Section 4 of the Prior Agreement to which they may be entitled in connection with the issuance and sale by the Company of shares of Series C Preferred Stock in accordance with the terms of the Purchase Agreement.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliates may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, and subject to the approval of the Board of Directors, if the Company issues additional shares of Preferred Stock after the date hereof, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of California and to the jurisdiction of the United States District Court for the Northern District of California for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of California or the United States District Court for the Northern District of California, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

Each party will bear its own costs in respect of any disputes arising under this Agreement. The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the Northern District of California or any court of the State of California having subject matter jurisdiction.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.13 Acknowledgment. The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises that may have products or services that compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services that compete with those of the Company.

6.14 University Provisions. Notwithstanding anything to the contrary contained in this Agreement, in no event will the University Investor be required with respect to the 500,000 shares of common stock of the Company issued to the University Investor issued to it pursuant to the License Agreement (the "**License Agreement Shares**"): (i) to provide indemnification or make any contribution in lieu of indemnification, or be required as a condition to exercising its rights as a stockholder of the Company or otherwise, to enter into agreements providing for indemnification or contribution, in each case to the extent contrary to Illinois law; (ii) to waive any rights under the Illinois Court of Claims Act, 705 ILCS 505/1 et seq., nor be required to enter into agreements under which it waives any such rights; (iii) to submit to arbitration to resolve any dispute; (iv) to be responsible for any award of fees, costs or expenses to a prevailing party in a dispute unless such fees, costs and expenses are awarded by a court of competent jurisdiction, and the University Investor shall be responsible only to the extent permitted by Illinois law; (v) to be subject, without University Investor's prior written consent, to any agreement that materially adversely affects any right or privilege of the University Investor granted under the License Agreement with respect to the Shares or any subsequent stockholder agreement executed by the University Investor; (vi) to withhold from disclosure confidential information as may be required by law or by order of court or governmental authority; and (vii) the provisions of this Section 6.14 shall survive any termination of this Agreement and shall not be superseded by any subsequent agreement unless agreed to by the University Investor in writing.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

above. **IN WITNESS WHEREOF**, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written

**COMPANY:**

**REVOLUTION MEDICINES, INC.**

By: /s/ Mark A. Goldsmith, M.D., Ph.D.

Name: Mark A. Goldsmith, M.D., Ph.D.

Title: President and Chief Executive Officer

**SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

above. **IN WITNESS WHEREOF**, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written

**INVESTOR:**

**THIRD ROCK VENTURES II, L.P.**

By: Third Rock Ventures GP II, L.P., its general partner

By: TRV GP II, LLC, its general partner

By: /s/ Kevin Gillis

Name: Kevin Gillis

Title: CFO / Partner

**THIRD ROCK VENTURES III, L.P.**

By: Third Rock Ventures GP III, L.P., its general partner

By: TRV GP III, LLC, its general partner

By: /s/ Kevin Gillis

Name: Kevin Gillis

Title: CFO / Partner

**THIRD ROCK VENTURES IV, L.P.**

By: Third Rock Ventures GP IV, L.P., its general partner

By: TRV GP IV, LLC, its general partner

By: /s/ Kevin Gillis

Name: Kevin Gillis

Title: CFO / Partner

**SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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**INVESTOR:**

**THE COLUMN GROUP III, LP**

By: The Column Group III GP, LP  
Its: General Partner

By: The Column Group, LLC  
Its: General Partner

By: /s/ James Evangelista  
Name: James Evangelista  
Title: Chief Financial Officer

**THE COLUMN GROUP III-A, LP**

By: The Column Group III GP, LP  
Its: General Partner

By: The Column Group, LLC  
Its: General Partner

By: /s/ James Evangelista  
Name: James Evangelista  
Title: Chief Financial Officer

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**INVESTOR:**

**PONOI CAPITAL, LP**

By: Panoi Management, LLC  
Its: General Partner

By: /s/ James Evangelista  
Name: James Evangelista  
Title: Chief Financial Officer

**PONOI CAPITAL II, LP**

By: Panoi II Management, LLC  
Its: General Partner

By: /s/ James Evangelista  
Name: James Evangelista  
Title: Chief Financial Officer

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**INVESTOR:**

**BOXER CAPITAL, LLC**

By: /s/ Aaron Davis

Name: Aaron Davis

Title: Chief Executive Officer

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**INVESTOR:**

**MVA INVESTORS, LLC**

By: /s/ Aaron Davis

Name: Aaron Davis

Title: Chief Executive Officer

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**INVESTOR:**

**FIDELITY ADVISOR SERIES VII: FIDELITY  
ADVISOR BIOTECHNOLOGY FUND**

By: /s/ Adrien Deberghes

Name: Adrien Deberghes

Title: Authorized Signatory

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**INVESTOR:**

**FIDELITY CAPITAL TRUST: FIDELITY FLEX  
SMALL CAP FUND - SMALL CAP GROWTH  
SUBPORTFOLIO**

By: /s/ Adrien Deberghes

Name: Adrien Deberghes

Title: Authorized Signatory

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**INVESTOR:**

**FIDELITY SECURITIES FUND: FIDELITY SMALL  
CAP GROWTH FUND**

By: /s/ Adrien Deberghes

Name: Adrien Deberghes

Title: Authorized Signatory

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**INVESTOR:**

**FIDELITY SECURITIES FUND: FIDELITY SMALL  
CAP GROWTH K6 FUND**

By: /s/ Adrien Deberghes

Name: Adrien Deberghes

Title: Authorized Signatory

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**INVESTOR:**

**KLP ENTERPRISES, LLC**

By: /s/ Andrew D. Winjek

Name: Andrew D. Winjek

Title: Manager

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**INVESTOR:**

**ILLINOIS EMERGING TECHNOLOGIES FUND III,  
L.P.**

By: /s/ Nancy Sullivan

Name: Nancy Sullivan

Title: Managing Principal

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**INVESTOR:**

**CORMORANT PRIVATE HEALTHCARE FUND II, LP**

By: Cormorant Private Healthcare GP II, LLC

By: /s/ Bihua Chen

Name: Bihua Chen

Title: Managing Member of the GP

**CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP**

By: Cormorant Global Healthcare GP, LLC

By: /s/ Bihua Chen

Name: Bihua Chen

Title: Managing Member of the GP

**CRMA SPV, LP**

By: Cormorant Asset Management, LLC

Its: Attorney-In-Fact

By: /s/ Bihua Chen

Name: Bihua Chen

Title: CEO/Managing Member

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**INVESTOR:**

**NEXTECH V ONCOLOGY S.C.S., SICAV-SIF**

By: Nextech V GP S.à r.l.

Its: General Partner

By: /s/ James Pledger

Name: James Pledger

Title: Manager

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**INVESTOR:**

**CASDIN PARTNERS MASTER FUND, L.P.**

By: Casdin Partners GP, LLC, its General Partner

By: /s/ Eli Casdin

Name: Eli Casdin

Title: Managing Member

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**INVESTOR:**

**IST3 MANESSE PE L.P.**

By: IST3 Manesse PE Management L.P., its general partner

By: Schroder Adveq Management Jersey Ltd, its general partner

By: /s/ Mark Nieuwenhuis

Name: Mark Nieuwenhuis

Title: Director

By: /s/ Monika Pinel

Name: Monika Pinel

Title: Authorized Signatory

**SCHRODER ADVEQ TECHNOLOGY IX S.C.S.**

By: Schroder Adveq Management Luxembourg S.à.r.l., its general partner

By: /s/ Catherine Koch

Name: Catherine Koch

Title: Manager

By: /s/ Monika Pinel

Name: Monika Pinel

Title: Authorized Signatory

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**INVESTOR:**

**SCHRODER ADVEQ TECHNOLOGY VIII, L.P.**

By: /s/ Mark Nieuwenhuis

Name: Mark Nieuwenhuis

Title: Director

By: /s/ Monika Pinel

Name: Monika Pinel

Title: Authorized Signatory

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**INVESTOR:**

**HARVARD MANAGEMENT PRIVATE EQUITY CORPORATION**

By: /s/ Elise McDonald

Name: Elise McDonald

Title: Authorized Signatory

By: /s/ Kerr Mone

Name: Kerr Mone

Title: Authorized Signatory

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**INVESTOR:**

**FIFTH AVENUE PRIVATE EQUITY 14 LLC**

By: /s/ Charles D. Bryceland

Name: Charles D. Bryceland

Title: Authorized Signer

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**INVESTOR:**

**FIFTH AVENUE PRIVATE EQUITY 15 LLC**

By: /s/ Charles D. Bryceland

Name: Charles D. Bryceland

Title: Authorized Signer

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**INVESTOR:**

**SCUBED CAPITAL, LLC**

By: /s/ Mark Stevens

Name: Mark Stevens

Title: Trustee

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**INVESTOR:**

**PH INVESTMENTS, LLC**

By: /s/ Melinda E. Barber

Name: Melinda E. Barber

Title: Managing Director

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**INVESTOR:**

**SOBRATO FAMILY HOLDINGS, LLC**

By: /s/ Matthew W. Sonsini

Name: Matthew W. Sonsini

Title: Chief Investment Officer, on behalf of Sobrato Family Holdings, LLC

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**INVESTOR:**

**PORTLAND REVMED EP, LLC**

By: Partners HealthCare Master Trust for ERISA Assets, its  
managing member

By: /s/ David Weden

Name: David Weden

Title: Authorized Signatory

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**INVESTOR:**

**PORTLAND REVMED PIA, LLC**

By: Partners HealthCare System Pooled Investment  
Accounts, LLC, its managing member

By: /s/ David Weden

Name: David Weden

Title: Authorized Signatory

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**INVESTOR:**

**DEERFIELD PRIVATE DESIGN FUND IV, L.P.**

By: Deerfield Mgmt IV, L.P. General Partner  
By: J.E. Flynn Capital IV, LLC General Partner

By: /s/ David J. Clark

\_\_\_\_\_  
Name: David J. Clark

Title: Authorized Signatory

**DEERFIELD SPECIAL SITUATIONS FUND, L.P.**

By: Deerfield Mgmt, L.P. General Partner  
By: J.E. Flynn Capital, LLC General Partner

By: /s/ David J. Clark

\_\_\_\_\_  
Name: David J. Clark

Title: Authorized Signatory

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**INVESTOR:**

**VP COMPANY INVESTMENTS 2018, LLC**

By: /s/ Alan C. Mendelson

Name: Alan C. Mendelson

Title: Member, Management Committee

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**INVESTOR:**

**BIOTECHNOLOGY VALUE FUND, LP**

By: /s/ Mark Lampert

Name: Mark Lampert

Title: President BVF Inc., General Partner of BVF Partners  
L.P., itself GP of Biotechnology Value Fund, L.P.

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**INVESTOR:**

**BIOTECHNOLOGY VALUE FUND II, LP**

By: /s/ Mark Lampert

Name: Mark Lampert

Title: President BVF Inc., General Partner of BVF Partners  
L.P., itself GP of Biotechnology Value Fund II, L.P.

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**INVESTOR:**

**BIOTECHNOLOGY VALUE TRADING FUND OS,  
L.P.**

By: /s/ Mark Lampert

Name: Mark Lampert

Title: President BVF Inc., General Partner of BVF Partners  
L.P., itself sole member of BVF Partners OS Ltd., itself GP  
of Biotechnology Trading Fund OS, L.P.

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**INVESTOR:**

**MSI BVF SPV, L.L.C.**

c/o Magnitude Capital

By: /s/ Mark Lampert

Name: Mark Lampert

Title: President BVF Inc., itself General Partner of BVF Partners L.P., itself attorney-in-fact for MSI BVF SPV, L.L.C.

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**INVESTOR:**

**VIVO PANDA FUND, L.P.**

By: Vivo Panda, LLC, General Partner

By: /s/ Mahendra Shah

Name: Mahendra Shah

Title: Managing Member

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**INVESTOR:**

**MARK V. ROEDER**

/s/ Mark V. Roeder

Signature

Mark V. Roeder

**SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

**SCHEDULE A**

**Schedule of Investors**

**Name and Address**

Third Rock Ventures II, L.P.  
Third Rock Ventures III, L.P.  
Third Rock Ventures IV, L.P.  
29 Newbury Street  
Boston, Massachusetts 02116  
Attn: Dina M. Ciarimboli  
Email: [\*\*\*]  
[\*\*\*]  
Phone: [\*\*\*]

The Column Group III, LP  
The Column Group III-A, LP  
Ponoi Capital, LP  
Ponoi Capital II, LP  
1700 Owens Street, Suite 500  
San Francisco, CA 94158  
Attention: Laurence Lasky,  
James Evangelista  
E-mail: [\*\*\*]  
[\*\*\*]

Peter Finn  
117 Tudor Road  
Needham, Massachusetts 02492  
Email: [\*\*\*]

Illinois Emerging Technologies Fund III, L.P.  
C/O Illinoisventures Gp III, LLC  
2242 W. Harrison St., Suite 201  
Chicago, IL, 60612  
Attention: Nancy Sullivan  
Email: [\*\*\*]

The Board of Trustees of the University Of Illinois  
Office of Technology Management  
319 Ceramics Building, 105 S. Goodwin Avenue  
Urbana, Illinois 61801-2901

---

Alexandria Equities No. 2, LLC  
385 E. Colorado Blvd., Suite 299  
Pasadena, CA 91101  
Email: [\*\*\*]; [\*\*\*]

Cystic Fibrosis Foundation  
4550 Montgomery Avenue, Suite 1100N  
Bethesda, MD 20814  
Email: [\*\*\*]

Greylock XIII Limited Partnership  
Greylock XIII Principals LLC  
Greylock XIII-A Limited Partnership  
40 Grove Street, Suite 430  
Wellesley, MA 02482  
Email: [\*\*\*]; [\*\*\*]; [\*\*\*]

KLP Enterprises, LLC  
35 Windsor Road  
North Haven, CT 06473  
Attention: Andrew D. Wingate

Sanofi Research Invest, LLC  
3711 Kennett Pike, Suite 200  
Greenville, DE 19807  
Email:[\*\*\*]; [\*\*\*]; [\*\*\*]

Nextech V Oncology S.C.S., SICAV-SIF  
8, rue Lou Hemmer  
L-1748 Luxembourg – Findel  
Attention: The Managers of Nextech V GP S.à r.l.  
Email: [\*\*\*]; [\*\*\*]

with a copy (which shall not constitute notice) to:

Wilmer Cutler Pickering Hale and Dorr LLP  
60 State Street  
Boston, MA 02109  
Attn: Jason L. Kropp  
Email: [\*\*\*]

Casdin Partners Master Fund, L.P.  
1350 Avenue of the Americas, Suite 2405  
New York, New York 10019  
Attention: Evans Apeadu  
Email: [\*\*\*]

---

IST3 Manesse PE LP.  
50 Lothian Road  
Festival Square  
Edinburgh EH3 9WJ  
Scotland  
Attention: Erwin Boos  
Email: [\*\*\*]

Schroder Adveq Technology IX S.C.S.  
Schroder Adveq Technology VIII, L.P.  
6c, rue Gabriel Lippmann  
L-5365 Munsbach  
Luxembourg  
Attention: Erwin Boos  
Email: [\*\*\*]

Harvard Management Private Equity Corporation  
600 Atlantic Avenue  
Boston, MA 02210  
Attention: Elise McDonald; Emily Carroll  
Email: [\*\*\*]; [\*\*\*]

Fifth Avenue Private Equity 14 LLC  
Fifth Avenue Private Equity 15 LLC  
Bessemer Trust  
Attention: Fifth Avenue Private Equity 14 LLC, 630 Fifth Avenue,  
NY, NY 10111  
Attention: Charles Bryceland  
Email: [\*\*\*]

SCubed Capital, LLC  
2061 Avy Avenue  
Menlo Park, CA 94025  
Attention: Mark Stevens  
Margo Doyle  
Email: [\*\*\*]  
[\*\*\*]

PH Investments, LLC  
Pilot House, Lewis Wharf  
Boston, MA 02110  
Attention: Ben Gomez; John Vander Vort; April Robinson  
Email: [\*\*\*]; [\*\*\*]; [\*\*\*]

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Sobrato Family Holdings, LLC  
10600 N. De Anza Blvd., Suite 200  
Cupertino, CA 95014  
Phone: 408-446-0700  
Attn: Matt Sonsini and Albert Chiang  
Email: [\*\*\*]

PORTLAND INVESTMENT - EP, LLC  
PORTLAND INVESTMENT - PIA, LLC  
101 Merrimac Street, Suite 800  
Boston, MA 02114  
Attention: David Weden  
Email: [\*\*\*]

Gizem Akcay  
70 Glenwood Rd  
Somerville, MA 02145  
Email: [\*\*\*]

Jae Young Ahn  
12 Bay State Ave #2  
Somerville, MA 02144  
Email: [\*\*\*]

Lauren Barclay  
128 Hillside Rd #3  
Watertown, MA 02472  
Email: [\*\*\*]

Cindy Benod  
37 Clarendon St.  
Newtown, MA 02460  
Email: [\*\*\*]

Zachary Burke  
59 Chatham Rd.  
Everett, MA 02149  
Email: [\*\*\*]

Lucy Foulston  
34 Canal St.  
Medford, MA 02155  
Email: [\*\*\*]

Dan Gray  
64 Orlando Ave.  
Winthrop, MA 02152  
Email: [\*\*\*]

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Simina Grigoriu  
22 John Swift Road  
Acton, MA 01720  
Email: [\*\*\*]

Meizhong Jin  
34 Priscilla Circle  
Wellesley, MA 02481  
Email: [\*\*\*]

Dimitrios Kallifidas  
1010 Massachusetts Ave., Apt #54  
Cambridge, MA 02138  
Email: [\*\*\*]

Kyle Kenyon  
19c Millers Way  
Sutton, MA 01590  
Email: [\*\*\*]

Anna Kohlmann  
58 Thornberry Rd  
Winchester, MA 01890  
Email: [\*\*\*]

Seung-Joo Lee  
245 Cambridge St. Unit 202  
Burlington, MA 01803  
Email: [\*\*\*]

Anna Li  
26 Suffolk Street APT 2  
Cambridge, MA 02139  
Email: [\*\*\*]

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Kasumi Verdine  
500 Atlantic Ave. 18-P  
Boston, MA 02210

Cormorant Private Healthcare Fund II, LP  
Cormorant Global Healthcare Master Fund, LP  
200 Clarendon Street, 52nd Floor  
Boston, MA 02116

CRMA SPV, LP  
PO Box 309, Uglan House  
Grand Cayman; KY1-1104 Cayman Islands

with a copy (which shall not constitute notice) to:

Attn: Jake Abdolmohammadi  
200 Clarendon Street, 52nd Floor  
Boston, MA 02116

Boxer Capital, LLC  
MVA Investors, LLC  
11682 El Camino Real, Suite 320  
San Diego, CA 92130

Fidelity Securities Fund: Fidelity Small Cap Growth Fund  
Mag & Co.  
c/o Brown Brothers Harriman & Co.  
Attn: Corporate Actions /Vault

---

140 Broadway  
New York, NY 10005  
Email: [\*\*\*]

Fidelity Capital Trust: Fidelity Flex Small Cap Fund  
- Small Cap Growth Subportfolio  
State Street Bank & Trust  
PO Box 5756  
Boston, Massachusetts 02206  
Attn: ISLANDMOORING CO FBO Fidelity Capital Trust:  
Fidelity Flex Small Cap Fund—Small Cap Growth Subportfolio  
Email: [\*\*\*]  
Fax number: [\*\*\*]

Fidelity Securities Fund: Fidelity Small Cap Growth K6 Fund  
BNY MELLON  
ONE BNY MELLON CENTER  
500 GRANT STREET AIM 151-2700  
PITTSBURGH, PA 15258

Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund  
State Street Bank & Trust  
PO Box 5756  
Boston, Massachusetts 02206  
Attn: Bangle & Co fbo Fidelity Advisor Series VII:  
Fidelity Advisor Biotechnology Fund  
Email: [\*\*\*]  
Fax number: [\*\*\*]

Deerfield Private Design Fund IV, L.P.  
Deerfield Special Situations Fund, L.P.  
Deerfield Management Company, L.P. (Series C)  
780 Third Avenue, 37th Floor  
New York, New York, 10017  
Attn: Lawrence Atinsky

Biotechnology Value Fund, LP  
Biotechnology Value Fund II, LP  
44 Montgomery Street, 40th Floor  
San Francisco, CA 94104  
Email: [\*\*\*]

With a copy to (which shall not constitute notice):  
Gibson, Dunn & Crutcher LLP  
555 Mission Street, Suite 3000  
San Francisco, CA 94105  
Attention: Ryan A. Murr

---

Biotechnology Value Trading Fund OS, LP  
PO Box 309 Ugland House, Grand Cayman, KY1- 1104, Cayman Islands  
Email: [\*\*\*]

With a copy to (which shall not constitute notice):

Gibson, Dunn & Crutcher LLP  
555 Mission Street, Suite 3000  
San Francisco, CA 94105  
Attention: Ryan A. Murr

MSI BVF SPV LLC  
200 Park Avenue, 56th Floor  
New York, NY 10166  
Email: [\*\*\*]

With a copy to (which shall not constitute notice):

Gibson, Dunn & Crutcher LLP  
555 Mission Street, Suite 3000  
San Francisco, CA 94105  
Attention: Ryan A. Murr

Vivo Panda Fund, L.P.  
Mahendra Shah  
c/o Vivo Capital, LLC  
192 Lytton Avenue  
Palo Alto, CA 94301  
Email: [\*\*\*]

VP Company Investments 2018, LLC  
c/o Latham & Watkins LLP  
555 West Fifth Street, Suite 800  
Los Angeles, CA 90013

Mark V. Roeder  
Latham & Watkins LLP  
140 Scott Drive  
Menlo Park, CA 94025  
Email: [\*\*\*]

**LEASE**

**SEAPORT CENTRE**

**HCP LS REDWOOD CITY, LLC,**

a Delaware limited partnership  
as Landlord,

and

**REVOLUTION MEDICINES,  
INC.,**

a Delaware corporation  
as Tenant.

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EXHIBITS

A	OUTLINE OF PREMISES
B	TENANT WORK LETTER
C	FORM OF NOTICE OF LEASE TERM DATES
D	FORM OF TENANT'S ESTOPPEL CERTIFICATE
E	ENVIRONMENTAL QUESTIONNAIRE
F	FORM OF ADDITIONAL TENANT IMPROVEMENT ALLOWANCE AMENDMENT
G	FURNITURE FOR TENANT USE

**SEAPORT CENTRE**

**LEASE**

This Lease (the “**Lease**”), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the “**Summary**”), below, is made by and between **HCP LS REDWOOD CITY, LLC**, a Delaware limited partnership (“**Landlord**”), and **REVOLUTION MEDICINES, INC.**, a Delaware corporation (“**Tenant**”).

**SUMMARY OF BASIC LEASE INFORMATION**

TERMS OF LEASE	DESCRIPTION
1. Date:	January 15, 2015
2. Premises (Article 1).	
2.1 Building:	700 Saginaw Drive Redwood City, CA
2.2 Premises:	Approximately 41,916 rentable square feet of space (“ <b>RSF</b> ”) consisting of the entire Building, as further set forth in <u>Exhibit A</u> to the Lease.
3. Lease Term (Article 2).	
3.1 Length of Term:	Seven (7) years.
3.2 Lease Commencement Date:	The later of (i) May 1, 2015, and (ii) the date that is thirty (30) days following the date upon which Landlord delivers the Premises to Tenant.
3.3 Lease Expiration Date:	If the Lease Commencement Date shall be the first day of a calendar month, then the day immediately preceding the seventh (7 <sup>th</sup> ) anniversary of the Lease Commencement Date; or, if the Lease Commencement Date shall be other than the first day of a calendar month, then the last day of the month in which the seventh (7 <sup>th</sup> ) anniversary of the Lease Commencement Date occurs.

4. Base Rent (Article 3):

Month of Lease Term	Annual Base Rent	Monthly Installment of Base Rent	Monthly Base Rent per RSF
1 – 6	N/A	\$ 52,700.00	\$ 3.40
7 – 12	N/A	\$ 102,000.00	\$ 3.40
13 – 24	\$1,760,472.00	\$ 146,706.00	\$ 3.500
25 – 36	\$1,813,286.16	\$ 151,107.18	\$ 3.605
37 – 48	\$1,867,684.74	\$ 155,640.40	\$ 3.713
49 – 60	\$1,923,715.29	\$ 160,309.61	\$ 3.825
61 – 72	\$1,981,426.75	\$ 165,118.90	\$ 3.939
73 – 84	\$2,040,869.55	\$ 170,072.46	\$ 4.057

\* Note: During the first six (6) months of the Lease Term, the Base Rent set forth above has been calculated as if the Premises contained only 15,500 RSF. During the 7<sup>th</sup> through 12<sup>th</sup> months of the Lease Term, the Base Rent set forth above has been calculated as if the Premises contained only 30,000 RSF. From and after the end of the 12<sup>th</sup> month of the Lease Term, Base Rent is calculated on the entire 41,916 RSF of the Premises. Notwithstanding the reduced Base Rent provided during the first 12 months of the Lease Term (the “**Reduced Base Rent Period**”), during such Reduced Base Rent Period Tenant shall be required to pay Tenant’s Share of Direct Expenses and all other amounts due under this Lease based on the entire 41,916 RSF of the Premises.

5. Tenant Improvement Allowance (Exhibit B):

An amount equal to \$45.00 per RSF of the Premises (*i.e.*, \$1,886,220.00 based upon 41,916 RSF in the Premises).

6. Tenant’s Share (Article 4):

One hundred percent (100%).

7. Permitted Use (Article 5):

The Premises shall be used only for general office, research and development, manufacturing, engineering, laboratory, storage, warehouse and/or shipping and receiving uses, including, but not limited to, administrative offices and other lawful uses reasonably related to or incidental to such specified uses, all (i) consistent with first class life sciences projects in Redwood City, California (“**First Class Life Sciences Projects**”), and (ii) in compliance with, and subject to, applicable laws and the terms of this Lease.

8. Security Deposit (Article 21): \$340,144.92
9. Parking (Article 28): 3.0 unreserved parking spaces for every 1,000 rentable square feet of the Premises, subject to the terms of Article 28 of the Lease.
10. Address of Tenant (Section 29.18):  
REVOLUTION Medicines, Inc.  
c/o Third Rock Ventures  
455 Mission Bay Boulevard So., Suite 575  
San Francisco, CA 94158  
Attention: General Counsel
- With a copy to:  
Cooley LLP  
101 California Street, 5th Floor  
San Francisco, CA 94111  
Attn: Anna B. Pope, Esq.  
(Prior to Lease Commencement Date)
- and  
REVOLUTION Medicines, Inc.  
700 Saginaw Drive  
Redwood City, CA  
Attention: General Counsel
- With a copy to:  
Cooley LLP  
101 California Street, 5th Floor  
San Francisco, CA 94111  
Attn: Anna B. Pope, Esq.  
(After Lease Commencement Date)
11. Address of Landlord (Section 29.18): See Section 29.18 of the Lease.
12. Broker(s) (Section 29.24):  
CBRE, Inc.
- and  
Colliers International

## 1. PREMISES, BUILDING, PROJECT, AND COMMON AREAS

### 1.1 Premises, Building, Project and Common Areas.

1.1.1 **The Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the “**Premises**”). The outline of the Premises is set forth in Exhibit A attached hereto. The outline of the “Building” and the “Project,” as those terms are defined in Section 1.1.2 below, are further depicted on the Site Plan attached hereto as Exhibit A-1. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location of the Premises only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the “Common Areas,” as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the “Project,” as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as Exhibit B (the “**Tenant Work Letter**”), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant’s business, and, except as specifically set forth in this Lease and the Tenant Work Letter, Tenant shall accept the Premises in its currently existing, “as-is” condition, and except that Landlord shall deliver the Premises in broom-clean condition and shall cause the mechanical, plumbing, electrical, fire sprinkler and life safety, lighting, air conditioning and heating systems and all other building systems serving the Premises, including the roof membrane (collectively, the “**Building Systems**”) to be in good operating condition and repair as of the Lease Commencement Date. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Project, Building and Premises have not undergone inspection by a Certified Access Specialist (CASp).

1.1.2 **The Building and The Project.** The Premises constitutes the entire building set forth in Section 2.1 of the Summary (the “**Building**”). The Building is part of an office/laboratory project currently known as “Britannia Seaport Centre.” The term “**Project**,” as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located, (iii) the other office/laboratory buildings within Britannia Seaport Centre, and the land upon which such adjacent office/laboratory buildings are located, and (iv) at Landlord’s discretion, any additional real property, areas, land, buildings or other improvements added thereto outside of the Project.

1.1.3 **Common Areas.** Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, are collectively referred to herein as the “**Common Areas**”). The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time; provided that such manner, rules and regulations are consistent with those in use in comparable First Class Life Science Projects. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas, provided that, in connection therewith, Landlord shall perform such closures, alterations, additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize any material interference with Tenant’s use of and access to the Premises, and shall not reduce the number of parking spaces available to Tenant, and shall use its best efforts to give Tenant notice of any planned power shutdown at least five (5) Business Days in advance.

1.2 **Rentable Square Feet of Premises.** The rentable square footage of the Premises is hereby deemed to be as set forth in Section 2.2 of the Summary, and shall not be subject to measurement or adjustment during the Lease Term.

1.3 **Occupancy by Existing Tenant; Early Access Period.** Tenant acknowledges that the Premises are currently occupied by a third party Tenant, and that Landlord will be delivering the Premises to Tenant promptly following the vacation and surrender of the Premises by such third-party. Landlord hereby agrees to exercise its rights and remedies at law or under the lease with the existing Tenant, reasonably and in good-faith, as Landlord reasonably deems advisable, to cause such third-party tenant to vacate and surrender the Premises to Landlord. If Landlord is unable for any reason to deliver possession of the Premises to Tenant on any specific date, then Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder, provided that if Landlord has not delivered possession of the Premises to Tenant on or before July 1, 2015, Tenant shall have the right to terminate this Lease by written notice (the “**Termination Notice**”) to Landlord on or before July 15, 2015; provided further, that if Tenant delivers a Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the termination of this Lease until August 1, 2015 by delivering written notice to Tenant, within ten (10) days following Landlord’s receipt of the Termination Notice, that, in Landlord’s reasonable, good faith judgment, the existing tenant will vacate and surrender the Expansion Premises to Landlord on or before August 1, 2015 (the “**Termination Extension Notice**”). If the Existing Tenant vacates and surrenders the Expansion Premises to Landlord on or before August 1, 2015, then the Termination Notice shall be of no force or effect, but if such vacation and surrender does not occur on or before August 1, 2015, then this Lease shall terminate on July 1, 2015. The Landlord currently anticipates that such third party will vacate the Premises so that Landlord can deliver the Premises to Tenant on April 1, 2015 (the “**Early Access Target Delivery Date**”). In the event that such vacation and surrender occurs prior to the Lease Commencement Date, then Landlord shall deliver the Premises to Tenant prior to the Lease Commencement Date, and Tenant may thereafter occupy and use the Premises, without any obligation to pay Base Rent or Tenant’s Share of Direct Expenses, but otherwise on and subject to all of the terms and conditions of this Lease, for design and planning purposes, construction of Tenant Improvements, and/or operation of Tenant’s business in the Premises. For purposes of this Lease, the period between the actual date of delivery of the Premises and the Lease

Commencement Date shall be referred to herein as the “**Early Access Period**”. Notwithstanding anything to the contrary contained in this Lease, Landlord has no objection to Tenant occupying the permitted portion of the Premises pursuant to that certain Temporary Office Space Use Agreement dated as of January 15, 2015 by and between Tenant and Relypsa, Inc., subject to the terms of Landlord’s Consent attached thereto.

1.4 **Furniture**. During the Lease Term, Tenant shall have the right to use all of the furniture existing in the Premises as of the Lease Commencement Date (the “**Furniture**”) at no cost. Tenant acknowledges that the items set forth on **Exhibit G** will not remain in the Premises or be part of the Furniture, and will be removed by the prior tenant of the Premises. Tenant shall keep and maintain such Furniture in good condition and repair during the Lease Term, and shall return such Furniture in good condition and repair, reasonable wear and tear and damage by casualty excluded, at the expiration or earlier termination of the Lease.

## 2. LEASE TERM; OPTION TERM

2.1 **Lease Term**. The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the “**Lease Term**”) shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the “**Lease Commencement Date**”), and shall terminate on the date set forth in Section 3.3 of the Summary (the “**Lease Expiration Date**”) unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term “**Lease Year**” shall mean each consecutive twelve (12) month period during the Lease Term. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in **Exhibit C**, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) Business Days of receipt thereof.

### 2.2 **Option Term**.

2.2.1 **Option Right**. Landlord hereby grants to the Tenant one (1) option to extend the Lease Term for a period of five (5) years (the “**Option Term**”), which option shall be irrevocably exercised only by written notice delivered by Tenant to Landlord not more than twelve (12) months nor less than nine (9) months prior to the expiration of the initial Lease Term, provided that the following conditions (the “**Option Conditions**”) are satisfied: (i) as of the date of delivery of such notice, Tenant is not in default under this Lease, after the expiration of any applicable notice and cure period; (ii) as of the end of the Lease Term Tenant is not in default under this Lease, after the expiration of any applicable notice and cure period; and (iii) the Lease then remains in full force and effect and Tenant occupies at least fifty percent (50%) of the Premises at the time the option to extend is exercised and as of the commencement of the Option Term. Landlord may, at Landlord’s option, exercised in Landlord’s sole and absolute discretion, waive any of the Option Conditions in which case the option, if otherwise properly exercised by Tenant, shall remain in full force and effect. Upon the proper exercise of such option to extend, and provided that Tenant satisfies all of the Option Conditions (except those, if any, which are waived by Landlord), the Lease Term, as it applies to the Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.2 shall not be exercised by any sublessee, but may be exercised by any assignee of 100% of Tenant’s interest in this Lease.

**2.2.2 Option Rent.** The Base Rent payable by Tenant during the Option Term (the “**Option Rent**”) shall be equal to the “Fair Rental Value,” as that term is defined below, for the Premises as of the commencement date of the Option Term. The “**Fair Rental Value**,” as used in this Lease, shall be equal to the annual rent per rentable square foot (including additional rent and considering any “base year” or “expense stop” applicable thereto), including all escalations, at which tenants (pursuant to leases consummated within the twelve (12) month period preceding the first day of the Option Term), are leasing non-sublease, non-encumbered, non-equity space which is not significantly greater or smaller in size than the subject space, for a comparable lease term, in an arm’s length transaction, which comparable space is located in the “Comparable Buildings,” as that term is defined in this Section 2.2.2, below (transactions satisfying the foregoing criteria shall be known as “**Comparable Transactions**”), taking into consideration the following concessions (the “**Concessions**”): (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable space; (b) tenant improvements or allowances provided or to be provided for such comparable space, and taking into account the value, if any, of the existing improvements in the subject space (other than improvements installed by Tenant at Tenant’s sole cost and expense), such value to be based upon the age, condition, design, quality of finishes and layout of the improvements and the extent to which the same can be utilized by a user engaged in a Permitted Use; and (c) other reasonable monetary concessions being granted such tenants in connection with such comparable space. The Concessions (A) shall be reflected in the effective rental rate (which effective rental rate shall take into consideration the total dollar value of such Concessions as amortized on a straight-line basis over the applicable term of the Comparable Transaction (in which case such Concessions evidenced in the effective rental rate shall not be granted to Tenant)) payable by Tenant, or (B) at Landlord’s election, all such Concessions shall be granted to Tenant in kind. The term “**Comparable Buildings**” shall mean the Building and those other buildings which are comparable to the Building in terms of age (based upon the date of completion of construction or major renovation of the building), quality of construction, level of services and amenities, size and appearance, and located in First Class Life Sciences Project in Redwood City, California and the surrounding commercial area.

**2.2.3 Determination of Option Rent.** In the event Tenant timely and appropriately exercises an option to extend the Lease Term, Landlord shall notify Tenant of Landlord’s determination of the Option Rent on or before the Lease Expiration Date. If Tenant, on or before the date which is ten (10) Business Days following the date upon which Tenant receives Landlord’s determination of the Option Rent, in good faith objects to Landlord’s determination of the Option Rent, then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement within ten (10) Business Days following Tenant’s objection to the Option Rent (the “**Outside Agreement Date**”), then each party shall make a separate determination of the Option Rent, as the case may be, within five (5) Business Days, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.3.1 through 2.2.3.7, below. If Tenant fails to object to Landlord’s determination of the Option Rent within the time period set forth herein, then Tenant shall be deemed to have objected to Landlord’s determination of Option Rent.

**2.2.3.1** Landlord and Tenant shall each appoint one arbitrator who shall be, at the option of the appointing party, a real estate broker, appraiser or attorney who shall have been active over the five (5) year period ending on the date of such appointment in the leasing or appraisal, as the case may be, of Comparable Buildings. The determination of the arbitrators shall

be limited solely to the issue of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent, taking into account the requirements of Section 2.2.2 of this Lease, as determined by the arbitrators. Each such arbitrator shall be appointed within fifteen (15) Business Days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions. The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators.**"

2.2.3.2 The two (2) Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) Business Days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators, except that neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.3.3 The three arbitrators shall, within thirty (30) days of the appointment of the Neutral Arbitrator, reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent, and shall notify Landlord and Tenant thereof.

2.2.3.4 The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant.

2.2.3.5 If either Landlord or Tenant fails to appoint an Advocate Arbitrator within fifteen (15) days after the Outside Agreement Date, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint such Advocate Arbitrator subject to the criteria in Section 2.2.3.1 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such Advocate Arbitrator.

2.2.3.6 If the two (2) Advocate Arbitrators fail to agree upon and appoint the Neutral Arbitrator, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint the Neutral Arbitrator, subject to criteria in Section 2.2.3.1.2 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such arbitrator.

2.2.3.7 The cost of the arbitration shall be paid by Landlord and Tenant equally.

2.2.3.8 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall be required to pay the Option Rent at 103% of rate in effect on the last day of the initial Lease Term, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts of Option Rent due, and the appropriate party shall make any corresponding payment to the other party.

**3. BASE RENT** Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever (except for any abatement as permitted under the express terms of this Lease). The Base Rent for the first full month of the Lease Term shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

#### **4. ADDITIONAL RENT**

##### **4.1 General Terms.**

4.1.1 **Direct Expenses; Additional Rent.** In addition to paying the Base Rent specified in Article 3 of this Lease, beginning on the Lease Commencement Date Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses**," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, are hereinafter collectively referred to as the "**Additional Rent**", and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term until the date Landlord is required to reconcile Direct Expenses after the expiration of the Lease Term.

4.1.2 **Triple Net Lease.** Landlord and Tenant acknowledge that, except as otherwise provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "**TRIPLE NET**" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the costs and expenses reasonably associated with this Lease, the Building and the Project, and Tenant's operation therefrom. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent.

4.2 **Definitions of Key Terms Relating to Additional Rent.** As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 Intentionally Deleted.

4.2.2 “**Direct Expenses**” shall mean “**Operating Expenses**” and “**Tax Expenses.**”

4.2.3 “**Expense Year**” shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant’s Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 “**Operating Expenses**” shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of premiums for all insurance carried by Landlord in connection with the Project as reasonably determined by Landlord; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) the cost of parking area operation, repair, restoration, and maintenance; (vi) fees and other costs, including management and/or incentive fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space; (viii) subject to item (f), below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project (provided that any capital expenditure shall be amortized as provided in item (xiii), below); (xi) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing (provided that any capital expenditure shall be amortized as provided in item (xiii), below); (xii) amortization (including reasonable interest on the unamortized cost) over such period of time as Landlord shall reasonably determine, of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which actually reduce expenses in the operation or maintenance of the Project, or any portion thereof, or to reduce current

or future Operating Expenses or to enhance the safety or security of the Project or its occupants, (B) that are required to comply with present or anticipated mandatory conservation programs, (C) which are replacements or modifications of nonstructural items, including any systems or equipment serving the Premises, or (D) that are required under any governmental law or regulation that was not in force or effect as of the Commencement Date; provided, however, that any capital expenditure shall be amortized (including reasonable interest on the amortized cost as reasonably determined by Landlord) over the reasonable useful life of such item (the “**Allowed Capital Costs**”); and (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute “Tax Expenses” as that term is defined in Section 4.2.5, below, and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building, including, without limitation, any covenants, conditions and restrictions affecting the property, and reciprocal easement agreements affecting the property, any parking licenses, and any agreements with transit agencies affecting the Property (collectively, “**Underlying Documents**”). Costs incurred as a result of insurance deductible amounts shall be included in Operating Expenses only in the manner provided in this Section 4.2.4, and only to the extent otherwise allowed to be included in Operating Expenses by this Section 4.2.4. Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including legal fees, space planners’ fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, and except for the amortization of any “Major Required Repair or Replacement” as defined in Section 7.1, below, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest, costs of capital repairs, replacements and alterations, and costs of capital improvements and equipment;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier or any tenant’s carrier or by anyone else, and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the

operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project and time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) except for a Project management fee to the extent allowed below, overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge at the Project shall be includable as an Operating Expense;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project ;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(m) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the comparable buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(n) costs incurred to comply with laws relating to the removal of hazardous material (as defined under applicable law) which was in existence in the Building or on the Project prior to the Lease Commencement Date, and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions that it then existed in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto; and costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto; and

(o) the cost of special services, goods or materials provided to any other tenant of the Project, and not provided to Tenant;

(p) repairs, alterations, additions, improvements or replacements needed to rectify or correct any defects in the original design, construction, materials or workmanship of the Project or common areas;

(q) Landlord's general overhead expenses not related to the Project;

(r) legal fees, accountants' fees (other than normal bookkeeping expenses) and other expenses incurred in connection with disputes of tenants or other occupants of the Project or associated with the enforcement of the terms of any leases with tenants or the defense of Landlord's title to or interest in the Project or any part thereof;

(s) costs incurred due to a violation by Landlord or any other tenant of the Project of the terms and conditions of a lease;

(t) self-insurance retentions;

(u) any reserve funds; and

(v) any management fees in excess of the lesser of (i) those fees typically charged by owners of comparable buildings in Redwood City, California, and (ii) three percent (3%) of gross revenues.

If the Project is not at least one hundred percent (100%) occupied during all or a portion of any Expense Year, Landlord shall make an appropriate adjustment to the components of Operating Expenses which vary in accordance with occupancy levels for such year to determine the amount of Operating Expenses that would have been incurred had the Project been one hundred percent (100%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year.

#### 4.2.5 Taxes.

4.2.5.1 “**Tax Expenses**” shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises or the improvements thereon.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys’ and consultants’ fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are incurred. Tax refunds shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand Tenant’s Share of any such increased Tax Expenses. Notwithstanding anything to the contrary contained in this Section 4.2.5, there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord’s net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 4.5 of this Lease.

4.2.6 “**Tenant’s Share**” shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Allocation of Direct Expenses.** The parties acknowledge that the Building is a part of a multi-building project and that the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) should be shared between the Building and the other buildings in the Project. Accordingly, as set forth in Section 4.2 above, Direct Expenses (which consist of Operating Expenses and tax Expenses) are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the Building (as opposed to other buildings in the Project). Such portion of Direct Expenses allocated to the Building shall include all Direct Expenses attributable solely to the Building and an equitable portion of the Direct Expenses attributable to the Project as a whole, and shall not include Direct Expenses attributable solely to other buildings in the Project.

4.4 **Calculation and Payment of Additional Rent.** Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, Tenant's Share of Direct Expenses for each Expense Year.

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant.** Landlord shall endeavor to give to Tenant within five (5) months following the end of each Expense Year, a statement (the "**Statement**") which shall state the Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, with its next installment of Base Rent due, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "**Estimated Direct Expenses**," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, Tenant shall immediately pay to Landlord such amount, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than six (6) months after the earlier of the expiration of the applicable Expense Year or the Lease Expiration Date, other than expenses levied by any governmental authority or by any public utility companies, as to which such period shall be twenty-four (24) months (provided that Landlord must deliver Tenant a bill for any such amounts within twelve (12) months following Landlord's receipt of the bill therefor).

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall endeavor to give Tenant within five (5) months following the end of each Expense Year, a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). The failure of Landlord to timely furnish the Estimate Statement

for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible.** Tenant shall be liable for and shall pay before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.6 **Landlord's Books and Records.** Within one hundred twenty (120) days after receipt of a Statement by Tenant, if Tenant disputes the amount of Additional Rent set forth in the Statement, an independent certified public accountant (which accountant is a member of a nationally recognized accounting firm and is not working on a contingency fee basis), designated and paid for by Tenant and reasonably approved by Landlord, may, after reasonable notice to Landlord and at reasonable times, inspect Landlord's records with respect to the Statement at Landlord's offices in the San Francisco Bay Area, provided that Tenant is not then in default under this Lease and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be. In connection with such inspection, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such inspection. Tenant's failure to dispute the amount of Additional Rent set forth in any Statement within one hundred twenty (120) days of Tenant's receipt of such Statement shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement. If after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "**Accountant**") selected by Landlord and subject to Tenant's reasonable approval; provided that if such determination by the Accountant proves that Direct Expenses were overstated by more than three percent (3%), then the cost of the Accountant and the cost of such determination shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Direct Expenses payable by Tenant.

## 5. USE OF PREMISES

5.1 **Permitted Use.** Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses.** Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the Rules and Regulations set forth in Exhibit H, attached hereto, or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect, or any Underlying Documents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with, and Tenant's rights and obligations under the Lease and Tenant's use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, and restrictions now or hereafter affecting the Project.

### 5.3 **Hazardous Materials.**

#### 5.3.1 **Tenant's Obligations.**

5.3.1.1 **Prohibitions.** As a material inducement to Landlord to enter into this Lease with Tenant, Tenant agrees, within thirty (30) days following the Lease Commencement Date, to complete Landlord's Pre-Leasing Environmental Exposure Questionnaire (the "**Environmental Questionnaire**"), which is attached as Exhibit E. Tenant agrees that except for those chemicals or materials, and their respective quantities, specifically listed on the Environmental Questionnaire, and except for Hazardous Materials used in connection with Tenant's operations in the Premises in compliance with applicable Environmental Laws, neither Tenant nor Tenant's employees, contractors and subcontractors of any tier, entities with a contractual relationship with Tenant (other than Landlord), or any entity acting as an agent or sub-agent of Tenant (collectively, "**Tenant's Agents**") will produce, use, store or generate any "Hazardous Materials," as that term is defined below, on, under or about the Premises, nor cause or permit any Hazardous Material to be brought upon, placed, stored, manufactured, generated, blended, handled, recycled, used or "Released," as that term is defined below, on, in, under or about the Premises. If any information provided to Landlord by Tenant on the Environmental Questionnaire, or otherwise relating to information concerning Hazardous Materials is false, incomplete, or misleading in any material respect, the same shall be deemed a default by Tenant

under this Lease. Upon Landlord's request (not more than once per calendar year), or on a quarterly basis in the event of any material change in Tenant's use of Hazardous Materials at the Premises, Tenant shall deliver to Landlord an updated Environmental Questionnaire. If Landlord fails to respond to a request for consent within five (5) Business Days, Tenant may send a "reminder notice". If Landlord fails to respond to such request within three (3) Business Days after delivery of the "reminder notice", then Landlord shall be deemed to have consented to such request. Tenant shall not install or permit any underground storage tank on the Premises. In addition, Tenant agrees that it: (i) shall not cause or suffer to occur, the Release of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent premises; and (ii) shall not engage in activities at the Premises that cause an unreasonable imposition of potential liability upon Tenant or Landlord or the creation of an environmental lien or use restriction upon the Premises. For purposes of this Lease, "**Hazardous Materials**" means all flammable explosives, petroleum and petroleum products, waste oil, radon, radioactive materials, toxic pollutants, asbestos, polychlorinated biphenyls ("**PCBs**"), medical waste, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including without limitation any chemical, element, compound, mixture, solution, substance, object, waste or any combination thereof, which is or may be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, or defined as, regulated as or included in, the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any Environmental Laws. The term "Hazardous Materials" for purposes of this Lease shall also include any mold, fungus or spores, whether or not the same is defined, listed, or otherwise classified as a "hazardous material" under any Environmental Laws, if such mold, fungus or spores may pose a risk to human health or the environment or negatively impact the value of the Premises. For purposes of this Lease, "**Release**" or "**Released**" or "**Releases**" shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment.

5.3.1.2 **Notices to Landlord.** Unless Tenant is required by applicable laws to give earlier notice to Landlord, Tenant shall notify Landlord in writing as soon as possible but in no event later than five (5) days after (i) the occurrence of any actual, alleged or threatened Release of any Hazardous Material in, on, under, from, about or in the vicinity of the Premises (whether past or present), regardless of the source or quantity of any such Release, or (ii) Tenant becomes aware of any regulatory actions, inquiries, inspections, investigations, directives, or any cleanup, compliance, enforcement or abatement proceedings (including any threatened or contemplated investigations or proceedings) relating to or potentially affecting the Premises, or (iii) Tenant becomes aware of any claims by any person or entity relating to any Hazardous Materials in, on, under, from, about or in the vicinity of the Premises, whether relating to damage, contribution, cost recovery, compensation, loss or injury. Collectively, the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "**Hazardous Materials Claims**". Tenant shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any Hazardous Materials Claims. Additionally, each party shall promptly advise the other in writing of the advising party's discovery of any occurrence or condition on, in, under or about the Premises or Project that could subject Tenant or Landlord to any liability, or restrictions on ownership, occupancy, transferability or use

of the Premises or Project under any "Environmental Laws," as that term is defined below. Tenant shall not enter into any legal proceeding or other action, settlement, consent decree or other compromise with respect to any Hazardous Materials Claims without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to join and participate, as a party if Landlord so elects, in such proceedings and in no event shall Tenant enter into any agreements which are binding on Landlord or the Premises without Landlord's prior written consent. Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning any Hazardous Materials Claim. For purposes of this Lease, "**Environmental Laws**" means all applicable present and future laws relating to the protection of human health, safety, wildlife or the environment, including, without limitation, (i) all requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Materials, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials; and (ii) all requirements pertaining to the health and safety of employees or the public. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601, et seq., the Hazardous Materials Transportation Authorization Act of 1994, 49 USC § 5101, et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and Hazardous and Solid Waste Amendments of 1984, 42 USC § 6901, et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC § 1251, et seq., the Clean Air Act of 1966, 42 USC § 7401, et seq., the Toxic Substances Control Act of 1976, 15 USC § 2601, et seq., the Safe Drinking Water Act of 1974, 42 USC §§ 300f through 300j, the Occupational Safety and Health Act of 1970, as amended, 29 USC § 651 et seq., the Oil Pollution Act of 1990, 33 USC § 2701 et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 USC § 11001 et seq., the National Environmental Policy Act of 1969, 42 USC § 4321 et seq., the Federal Insecticide, Fungicide and Rodenticide Act of 1947, 7 USC § 136 et seq., California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code §§ 25300 et seq., Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code, §§ 25500 et seq., Underground Storage of Hazardous Substances provisions, California Health & Safety Code, §§ 25280 et seq., California Hazardous Waste Control Law, California Health & Safety Code, §§ 25100 et seq., and any other state or local law counterparts, as amended, as such applicable laws, are in effect as of the Lease Commencement Date, or thereafter adopted, published, or promulgated.

5.3.1.3 **Releases of Hazardous Materials.** If, due to the acts or omissions of Tenant or any Tenant's Agent, any Release of any Hazardous Material in, on, under, from or about the Premises shall occur at any time during the Lease, in addition to notifying Landlord as specified above, Tenant, at its own sole cost and expense, shall (i) immediately comply with any and all reporting requirements imposed pursuant to any and all Environmental Laws, (ii) provide a written certification to Landlord indicating that Tenant has complied with all applicable reporting requirements, (iii) take any and all necessary investigation, corrective and remedial action in accordance with any and all applicable Environmental Laws, utilizing an environmental consultant approved by Landlord, all in accordance with the provisions and requirements of this Section 5.3, including, without limitation, Section 5.3.4, and (iv) take any such additional investigative, remedial and corrective actions as Landlord shall in its reasonable discretion deem necessary such that the Premises are remediated to a condition allowing the same

uses of the Premises as are allowed as of the Lease Commencement Date, all in accordance with the provisions and requirements of this [Section 5.4](#). Landlord may, as required by any and all Environmental Laws, report a Release of any Hazardous Material caused by Tenant or any Tenant's Agent to the appropriate governmental authority, identifying Tenant as the responsible party. Tenant shall deliver to Landlord copies of all administrative orders, notices, demands, directives or other communications directed to Tenant from any governmental authority with respect to any Release of Hazardous Materials in, on, under, from, or about the Premises, together with copies of all investigation, assessment, and remediation plans and reports prepared by or on behalf of Tenant in response to any such regulatory order or directive.

#### 5.3.1.4 **Indemnification.**

5.3.1.4.1 **In General.** Without limiting in any way Tenant's obligations under any other provision of this Lease, Tenant shall be solely responsible for and shall protect, defend, indemnify and hold the Landlord Parties harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, liabilities (including, without limitation, actual attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including, without limitation, consequential damages and sums paid in settlement of claims ("**Hazardous Materials Claims**"), which arise during or after the Lease Term, whether foreseeable or unforeseeable, directly or indirectly arising out of or attributable to the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in, on, under or about the Premises by Tenant, except to the extent such liabilities result from the gross negligence or willful misconduct of Landlord following the Lease Commencement Date, and except to the extent caused by the presence of Hazardous Materials in, on or under the Premises on the date of this Lease and not caused by Tenant or any Tenant's Agent. The foregoing obligations of Tenant shall include, including without limitation: (i) the costs of any required or necessary removal, repair, cleanup or remediation of the Premises, and the preparation and implementation of any closure, removal, remedial or other required plans; (ii) judgments for personal injury or property damages; and (iii) all costs and expenses incurred by Landlord in connection therewith. Landlord likewise shall protect, defend, indemnify and hold Tenant harmless from any Hazardous Materials Claims to the extent caused by or arising from any Hazardous Materials in, on or under the Premises on the date of this Lease and not caused by Tenant or any Tenant's Agent, and for any Release after the date of this Lease caused by Landlord Parties.

5.3.1.4.2 **Limitations.** Notwithstanding anything in [Section 5.3.1.4](#), above, to the contrary, Tenant's indemnity of Landlord as set forth in [Section 5.3.1.4](#), above, shall not be applicable to claims based upon Hazardous Materials which may exist in, on or about the Premises as of the date of this Lease ("**Existing Hazardous Materials**"), except to the extent that Tenant's construction activities and/or Tenant's other acts or omissions (including Tenant's failure to remove, remediate or otherwise treat or "Clean-up," as that term is defined in [Section 5.3.4](#), below, the subject Existing Hazardous Materials during the tenancy of the Premises) caused or exacerbated the subject claim.

5.3.1.5 **Compliance with Environmental Laws.** Without limiting the generality of Tenant's obligation to comply with applicable laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Environmental Laws applicable to Tenant's Hazardous Materials. Tenant shall obtain and maintain any and all necessary permits, licenses, certifications and approvals appropriate or required for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Premises. Landlord shall have a continuing right, without obligation, to require Tenant to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant's use of Hazardous Materials. Upon request of Landlord, Tenant shall deliver to Landlord a narrative description explaining the nature and scope of Tenant's activities involving Hazardous Materials and showing to Landlord's satisfaction compliance with all Environmental Laws and the terms of this Lease.

5.3.2 **Assurance of Performance.**

5.3.2.1 **Environmental Assessments In General.** Landlord may, but shall not be required to, engage from time to time such contractors as Landlord determines to be appropriate to perform "Environmental Assessments", as that term is defined below, to ensure Tenant's compliance with the requirements of this Lease with respect to Hazardous Materials. For purposes of this Lease, "Environmental Assessment" means an assessment including, without limitation: (i) an environmental site assessment conducted in accordance with the then-current standards of the American Society for Testing and Materials and meeting the requirements for satisfying the "all appropriate inquiries" requirements; and (ii) sampling and testing of the Premises based upon potential recognized environmental conditions or areas of concern or inquiry identified by the environmental site assessment.

5.3.2.2 **Costs of Environmental Assessments.** All costs and expenses incurred by Landlord in connection with any such Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has failed to comply with the provisions of this Section 5.3, then all of the costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within thirty (30) days after receipt of written demand therefor.

5.3.3 **Tenant's Obligations upon Surrender.** At the expiration or earlier termination of the Lease Term, Tenant, at Tenant's sole cost and expense, shall: (i) cause an Environmental Assessment of the Premises to be conducted in accordance with Section 15.3; (ii) cause all Hazardous Materials introduced by Tenant or Tenant's Agents to be removed from the Premises and disposed of in accordance with all Environmental Laws and as necessary to allow the Premises to be used for the same uses of the Premises as are allowed as of the Lease Commencement Date; and (iii) cause to be removed all containers installed or used by Tenant or Tenant's Agents to store any Hazardous Materials on the Premises, and cause to be repaired any damage to the Premises caused by such removal.

#### 5.3.4 **Clean-up.**

5.3.4.1 **Environmental Reports; Clean-Up.** If any written report, including any report containing results of any Environmental Assessment (an “**Environmental Report**”) shall indicate (i) the presence of any Hazardous Materials as to which Tenant has a removal or remediation obligation under this **Section 5.3**, and (ii) that as a result of same, the investigation, characterization, monitoring, assessment, repair, closure, remediation, removal, or other clean-up (the “**Clean-up**”) of any Hazardous Materials is required, Tenant shall immediately prepare and submit to Landlord within thirty (30) days after receipt of the Environmental Report a comprehensive plan, subject to Landlord’s written approval (not to be unreasonably withheld, conditioned or delayed), specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises are restored to the conditions required by this Lease. Upon Landlord’s approval of the Clean-up plan, Tenant shall, at Tenant’s sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan with a consultant reasonably acceptable to Landlord and proceed to Clean-Up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. If, within thirty (30) days after receiving a copy of such Environmental Report, Tenant fails either (a) to complete such Clean-up, or (b) with respect to any Clean-up that cannot be completed within such thirty-day period, fails to proceed with diligence to prepare the Clean-up plan and complete the Clean-up as promptly as practicable, then Landlord shall have the right, but not the obligation, and without waiving any other rights under this Lease, to carry out any Clean-up recommended by the Environmental Report or required by any governmental authority having jurisdiction over the Premises, and recover all of the costs and expenses thereof from Tenant as Additional Rent, payable within thirty (30) days after receipt of written demand therefor.

5.3.4.2 **No Rent Abatement.** In the event that Tenant’s failure to complete the Clean-up prevents or delays a third party from occupying the Premises, Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up, and shall not be entitled to any reduction, offset or deferral of any Base Rent or Additional Rent due or accruing under this Lease during any such Clean-up.

5.3.4.3 **Surrender of Premises.** Tenant shall complete any Clean-up prior to surrender of the Premises upon the expiration or earlier termination of this Lease, and shall fully comply with all Environmental Laws and requirements of any governmental authority with respect to such completion, including, without limitation, fully comply with any requirement to file a risk assessment, mitigation plan or other information with any such governmental authority in conjunction with the Clean-up prior to such surrender. Tenant shall obtain and deliver to Landlord a letter or other written determination from the overseeing governmental authority confirming that the Clean-up has been completed in accordance with all requirements of such governmental authority and that no further response action of any kind is required for the unrestricted use of the Premises (“**Closure Letter**”). Upon the expiration or earlier termination of this Lease, Tenant shall also be obligated to close all permits obtained in connection with Hazardous Materials in accordance with applicable laws.

5.3.4.4 **Failure to Timely Clean-Up.** Should any Clean-up for which Tenant is responsible not be completed, or should Tenant not receive the Closure Letter and any governmental approvals required under Environmental Laws in conjunction with such Clean-up prior to the expiration or earlier termination of this Lease, and Tenant’s failure to receive the Closure Letter is prohibiting Landlord from leasing the Premises to a third party, or prevents the

occupancy or use of the Premises by a third party, then Tenant shall be liable to Landlord as a holdover tenant (as more particularly provided in [Article 16](#)), prorated on a per square foot basis in proportion to the portion of the Premises so made unavailable, until Tenant has fully complied with its obligations under this [Section 5.3](#).

5.3.5 **Confidentiality.** Unless compelled to do so by applicable law, Tenant agrees that Tenant shall not disclose, discuss, disseminate or copy any information, data, findings, communications, conclusions and reports regarding the environmental condition of the Premises to any Person (other than Tenant's consultants, attorneys, property managers and employees that have a need to know such information), including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is compelled by applicable law, it shall provide Landlord ten (10) Business Days' advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective investors, purchasers or lenders, subject to any such parties' written agreement to be bound by the terms of this [Section 5.3](#).

5.3.6 **Copies of Environmental Reports.** Within thirty (30) days of receipt thereof, Tenant shall provide Landlord with a copy of any and all environmental assessments, audits, studies and reports regarding Tenant's activities with respect to the Premises, or ground water beneath the Land, or the environmental condition or Clean-up thereof in Tenant's possession. Tenant shall be obligated to provide Landlord with a copy of such materials without regard to whether such materials are generated by Tenant or prepared for Tenant, or how Tenant comes into possession of such materials.

5.3.7 **Landlord Obligation.** Landlord agrees to remediate or encapsulate any Hazardous Materials existing in the Premises as of the Rent Commencement Date to the extent that Landlord's failure to so remediate would be in violation of applicable law and would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees, or would otherwise materially and adversely affect Tenant's use of or access to the Premises.

5.3.8 **Signs, Response Plans, Etc.** Subject to [Sections 6.2](#) and [6.4](#) below, Tenant shall be responsible for posting on the Premises any signs required under applicable Environmental Laws applicable to Tenant's Hazardous Materials. Tenant shall also complete and file any business response plans or inventories required by any applicable laws. Tenant shall concurrently file a copy of any such business response plan or inventory with Landlord.

5.3.9 **Survival.** Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this [Section 5.3](#) shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant's obligations under this [Section 5.3](#) have been completely performed and satisfied.

## 6. SERVICES AND UTILITIES

6.1 **In General.** Tenant will be responsible, at its sole cost and expense, for the furnishing of all services and utilities to the Premises, including, but not limited to heating, ventilation and air-conditioning, electricity, water, telephone, janitorial and interior Building security services.

6.1.1 All utilities (including without limitation, electricity, gas, sewer and water) to the Building are separately metered at the Premises and shall be paid directly by Tenant to the applicable utility provider.

6.1.2 Landlord shall not provide janitorial or trash removal services for the Premises. Tenant shall be solely responsible for performing all janitorial services, other cleaning of the Premises, and trash removal, all in compliance with applicable laws. The janitorial and cleaning of the Premises shall be adequate to maintain the Premises in a manner consistent with First Class Life Sciences Projects.

Tenant shall cooperate fully with Landlord at all times and abide by all reasonable regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems. Provided that Landlord agrees to provide and maintain and keep in continuous service utility connections to the Project, including electricity, water and sewage connections, Landlord shall have no obligation to provide any services or utilities to the Building, including, but not limited to heating, ventilation and air-conditioning, electricity, water, telephone, janitorial and interior Building security services.

6.2 **Interruption of Use.** Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause not under Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this [Article 6](#).

6.3 **Energy Performance Disclosure Information.** Tenant hereby acknowledges that Landlord may be required to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "**Energy Disclosure Requirements**"). Tenant hereby acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (the "**Energy Disclosure Information**"), and agrees that Landlord has timely complied in full with Landlord's obligations under the Energy Disclosure Requirements. Tenant acknowledges and agrees that (i) Landlord makes no representation or warranty regarding the energy performance of the Building or the accuracy or completeness of the Energy Disclosure

Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Building and that the energy performance of the Building may vary depending on future occupancy and/or use of the Building, and (iii) Landlord shall have no liability to Tenant for any errors or omissions in the Energy Disclosure Information. If and to the extent not prohibited by applicable laws, Tenant hereby waives any right Tenant may have to receive the Energy Disclosure Information, including, without limitation, any right Tenant may have to terminate this Lease as a result of Landlord's failure to disclose such information. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and/or liabilities relating to, arising out of and/or resulting from the Energy Disclosure Requirements, including, without limitation, any liabilities arising as a result of Landlord's failure to disclose the Energy Disclosure Information to Tenant prior to the execution of this Lease. Tenant's acknowledgment of the AS-IS condition of the Premises pursuant to the terms of this Lease shall be deemed to include the energy performance of the Building. Tenant further acknowledges that pursuant to the Energy Disclosure Requirements, Landlord may be required in the future to disclose information concerning Tenant's energy usage to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building (the "**Tenant Energy Use Disclosure**"). Tenant hereby (A) consents to all such Tenant Energy Use Disclosures, and (B) acknowledges that Landlord shall not be required to notify Tenant of any Tenant Energy Use Disclosure. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and liabilities relating to, arising out of and/or resulting from any Tenant Energy Use Disclosure. The terms of this Section 6.3 shall survive the expiration or earlier termination of this Lease.

## 7. REPAIRS

7.1 **Tenant Repair Obligations.** Tenant shall, throughout the Term, at its sole cost and expense, (A) keep, maintain and repair, as required, the Premises and every part thereof in a good standard of maintenance and repair, and in good and sanitary condition and repair, subject to ordinary wear and tear, and (B) maintain the Premises in compliance with the applicable laws, (items (A)-(B) shall collectively be referred to herein as the "**Tenant's Repair Obligations**"), including, without limitation, the following serving the Premises: (1) glass, windows, window frames, window casements (including the repairing, resealing, cleaning and replacing of both interior and exterior windows) and skylights; (2) interior and exterior doors, door frames and door closers; (3) interior lighting (including, without limitation, light bulbs and ballasts); (4) all repairs of the plumbing, sewer, drainage, electrical, fire protection, elevator, escalator, life safety and security systems and equipment, existing heating, ventilation and air-conditioning systems, and all other mechanical, electrical and communications systems and equipment (collectively, the "**Building Systems**"), including without limitation (i) any specialty or supplemental Building Systems installed by or for Tenant and (ii) all electrical facilities and equipment, including lighting fixtures, lamps, fans and any exhaust equipment and systems, electrical motors and all other appliances and equipment of every kind and nature located in, upon or about the Premises; (5) all communications systems serving the Premises; (6) all of Tenant's security systems in or about or serving the Premises; (7) Tenant's signage; (8) interior demising walls and partitions (including painting and wall coverings), equipment, floors, and any roll-up doors, ramps and dock equipment; and (9) the non-structural portions of the roof of the Building, including the roof membrane and coverings. Tenant's Repair Obligations also includes the routine maintenance of the load bearing and exterior walls of the Building, including, without limitation, any painting, sealing, patching and waterproofing of such walls. Tenant shall additionally be responsible, at Tenant's sole cost

and expense, to furnish all expendables, including light bulbs, paper goods and soaps, used in the Premises, and, to the extent that Landlord notifies Tenant in writing of its intention to no longer arrange for such monitoring, cause the fire alarm systems serving the Premises to be monitored by a monitoring or protective services firm approved by Landlord in writing.

7.2 **Service Contracts.** All Building Systems, including HVAC, elevators, main electrical, plumbing and fire/life-safety systems, shall be maintained, repaired and replaced by Tenant (i) in a commercially reasonable first-class condition, (ii) in accordance with any applicable manufacturer specifications relating to any particular component of such Building Systems, (iii) in accordance with applicable Laws. Tenant shall contract with a qualified, experienced professional third party service companies (a “**Service Contract**”). Tenant shall regularly, in accordance with commercially reasonable standards, generate and maintain preventive maintenance records relating to each Building’s mechanical and main electrical systems, including life safety, elevators and the central plant (“**Preventative Maintenance Records**”). In addition, upon Landlord’s request, Tenant shall deliver a copy of all current Service Contracts to Landlord and/or a copy of the Preventative Maintenance Records.

7.3 **Landlord’s Right to Perform Tenant’s Repair Obligations.** Tenant shall notify Landlord in writing at least thirty (30) days prior to performing any material Tenant’s Repair Obligations, including without limitation, any Tenant’s Repair Obligation which affect the Building Systems or which is reasonably anticipated to cost more than \$100,000.00. Upon receipt of such notice from Tenant, Landlord shall have the right to either (i) perform such material Tenant’s Repair Obligation by delivering notice of such election to Tenant within thirty (30) days following receipt of Tenant’s notice, and Tenant shall pay Landlord the cost thereof (including Landlord’s reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor, or (ii) require Tenant to perform such Tenant’s Repair Obligation at Tenant’s sole cost and expense. If Tenant fails to perform any Tenant’s Repair Obligation within a reasonable time period, as reasonably determined by Landlord, then Landlord may, but need not, following delivery of notice to Tenant of such election, make such Tenant Repair Obligation, and Tenant shall pay Landlord the cost thereof, (including Landlord’s reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor.

7.4 **Landlord Repair Obligations.** Landlord shall be responsible for repairs to the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, and all replacements for the Building Systems serving the Premises, except to the extent that such repairs are required due to the negligence or willful misconduct of Tenant (the “**Landlord Repair Obligation**”); provided, however, that if such repairs are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs at Tenant’s expense, or, if covered by Landlord’s insurance, Tenant shall only be obligated to pay any deductible in connection therewith. In the event that, as a result of a particular Building System being used beyond its normal useful life, repair costs materially in excess of normal and customary maintenance and repair costs are being regularly incurred, and Landlord determines in its reasonable discretion that such Building System requires replacement, Landlord shall replace such particular Building System, and the cost of such replacement shall be amortized and included in Operating Expenses as an Allowed Capital Cost to the extent allowed by the terms of Article 4, above. If such replacement is due to the negligence or willful misconduct of Tenant, such replacement of the applicable Building System shall be at Tenant’s sole cost and expense, and Landlord shall incur no cost in connection therewith.

## 8. ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations.** Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than five (5) Business Days prior to the commencement thereof, and which consent shall not be unreasonably withheld, conditioned or delayed by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following five (5) Business Days notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations (i) do not affect the Building Systems or equipment, (ii) are not visible from the exterior of the Building, and (iii) cost less than \$50,000.00 for a particular job of work. The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this **Article 8**.

8.2 **Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant and approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), the requirement that upon Landlord's request (subject to the terms of **Section 8.5**, below), Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city in which the Building is located (or other applicable governmental authority). Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. Tenant shall be permitted to use non-union labor with Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Upon completion of any Alterations (or repairs), Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. In addition to Tenant's obligations under **Article 9** of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Project is located, and Tenant shall deliver to the Project construction manager a reproducible copy of the "**as built**" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements.** If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to three percent (3%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

8.4 **Construction Insurance.** In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "**Builder's All Risk**" insurance (to the extent that the cost of the work shall exceed \$100,000.00) in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Tenant's contractors and subcontractors shall be required to carry (i) Commercial General Liability Insurance in an amount approved by Landlord, with Landlord, and, at Landlord's option, Landlord's property manager and project manager, as additional insureds in an amount approved by Landlord, and otherwise in accordance with the requirements of Article 10 of this Lease, and (ii) workers compensation insurance with a waiver of subrogation in favor of Landlord. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee if the proposed Alteration is expected to cost in excess of \$250,000.

8.5 **Landlord's Property.** All Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and Alterations, improvements and fixtures shall be and become the property of Landlord and remain in place at the Premises following the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord may, by written notice to Tenant given concurrently with Landlord's consent to installation, require Tenant at the end of the Lease Term, at Tenant's expense, to remove any Alterations and/or improvements and/or systems and equipment within the Premises and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a condition comparable to that which existed upon Landlord's delivery of the Premises to Tenant. If Tenant fails to complete any required removal and/or to repair any damage caused by the removal of any Alterations and/or improvements and/or systems and equipment in the Premises and return the affected portion of the Premises to a condition comparable to that which existed upon Landlord's delivery of the Premises to Tenant, normal wear and tear and damage by casualty excepted, Landlord may do so and may charge the actual and reasonable cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease. Based upon its review of the Space Plan dated 11/21/14 and prepared by DGA, Landlord does not anticipate requiring any removal or restoration of the initial Tenant Improvements. Landlord covenants to give Tenant notice, concurrently with Landlord's approval of the Final Working Drawings, of whether any portion of the initial Tenant Improvements will need to be removed at the end the Lease Term, and provided that there are no significant changes in the scope of the Tenant Improvements between the approval of the Space Plan and the approval of the Final Working Drawings, there shall be no such removal or restoration obligation.

**9. COVENANT AGAINST LIENS** Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility (to the extent applicable pursuant to then applicable laws). Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) Business Days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof.

## **10. INSURANCE**

**10.1 Indemnification and Waiver.** Except to the extent arising from the gross negligence or willful misconduct of Landlord or Landlord Parties, or Landlord's breach of the terms of this Lease, Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever (including, but not limited to, any personal injuries resulting from a slip and fall in, upon or about the Premises) and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, lenders, any property manager and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all claims, loss, cost, damage, injury, expense and liability (including without limitation court costs and reasonable attorneys' fees) during the Lease Term, or any period of Tenant's occupancy of the Premises prior to the commencement or after the expiration of the Lease Term, incurred in connection with or arising from any cause in, on or about the Premises (including, but not limited to, a slip and fall), any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person, in, on or about the Project or any breach of the terms of this Lease, either prior to, during, or after the expiration of the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the gross negligence or willful misconduct of Landlord, or Landlord's Parties, or Landlord's breach of this Lease. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its reasonable costs and expenses incurred in such suit, including without limitation, its actual professional fees such as reasonable appraisers', accountants' and attorneys' fees. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Landlord's Property Insurance.** Landlord shall carry commercial general liability insurance with respect to the Building during the Lease Term, and shall further insure the Building, Premises (including the Tenant Improvements) and the Project during the Lease Term (for the full replacement value to the extent consistent with the practices of landlords of comparable buildings) against loss or damage due to fire and other casualties covered within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage. Such coverage shall be in such amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine but not less than a reasonable amount as is typically carried for First Class Life Science Buildings in the Bay Area. Additionally, at the option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage, and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors of the Building, or any portion thereof. Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises for any purpose other than the Permitted Use causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body. Tenant shall also provide Landlord and Landlord's insurer(s) with such information regarding the use of the Premises and any damage to the Premises as they may require in connection with the placement of insurance for the Premises or the adjusting of any losses to the Premises.

10.3 **Tenant's Insurance.** Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance on an occurrence form covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities including a contractual coverage, and only in the event that Tenant at any time is completing or producing products in the Premises, including products and completed operations coverage, for limits of liability on a per location basis of not less than:

Bodily Injury and	\$5,000,000 each occurrence
Property Damage Liability	\$5,000,000 annual aggregate
Personal Injury Liability	\$3,000,000 each occurrence
	\$3,000,000 annual aggregate

10.3.2 Property Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the "**Tenant Improvements**," as that term is defined in the Tenant Work Letter, and (iii) all other improvements, alterations and additions made to the Premises by or on behalf of Tenant. Such insurance shall be written on an "**all risks**" of physical loss or damage basis, for the full

replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion.

10.3.3 Business Income Interruption for six (6) months year plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings attributable to the risks outlined in Section 10.3.2 above.

10.3.4 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations. The policy shall include a waiver of subrogation in favor of Landlord, its employees, Lenders and any property manager or partners.

10.4 **Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord, its subsidiaries and affiliates, its property manager (if any) and any other party the Landlord so specifies, as an additional insured or loss payee, as applicable, including Landlord's managing agent, if any; (ii) be issued by an insurance company having a rating of not less than A-VII in Best's Insurance Guide or which is otherwise acceptable to Landlord and authorized to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance required of Tenant; and (v) provide that (except for non-payment of premium) said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord (unless such cancellation is the result of non-payment of premiums). Tenant shall deliver insurance certificates as evidence of the required coverage to Landlord on or before the Lease Commencement Date and at least ten (10) days before the expiration dates thereof. Tenant shall agree to provide copies of any of the required policies upon Landlord's reasonable request. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Subrogation.** Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property or business interruption loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies do now, or shall, contain the waiver of subrogation.

10.6 **Additional Insurance Obligations.** Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord or Landlord's lender, but in no event in excess of the amounts and types of insurance then being required by landlords of buildings comparable to and in the vicinity of the Building.

## 11. DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord.** Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base Building, such Common Areas, and the Premises (including the Tenant Improvements) . Such restoration shall be to substantially the same condition of the Premises, base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required above. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

11.2 **Landlord's Option to Repair.** Notwithstanding the terms of Section 11.1 of this Lease, if more than fifty percent (50%) of the Premises are damaged, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by fire or other casualty or cause, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) at least Five Hundred Thousand and 00/100 Dollars (\$500,000.00) of the damage is not covered by Landlord's insurance policies; (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally; (v) the

damage occurs during the last twelve (12) months of the Lease Term; or (vi) any owner of any other portion of the Project, other than Landlord, does not intend to repair the damage to such portion of the Project; provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Project by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) Tenant is not then in default under this Lease; and (c) as a result of the damage, Tenant cannot reasonably conduct business from the Premises. In addition, Tenant may terminate this Lease if the damage to the Premises occurs during the last twelve (12) months of the Lease Term, and, as a result of such damage, Tenant cannot reasonably conduct business from the Premises for a period of thirty (30) days or more.

**11.3 Waiver of Statutory Provisions.** The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

**12. NONWAIVER** No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

**13. CONDEMNATION** If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, and provided that such temporary taking does not materially preclude or unreasonably diminish Tenant's ability to conduct business from the Premises, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking, provided, however, that Tenant shall be entitled to a share of the award for any loss of fixtures and improvements and for moving and other reasonable expenses that do not otherwise reduce Landlord's recovery.

#### **14. ASSIGNMENT AND SUBLETTING**

14.1 **Transfers.** Except as specifically permitted in Section 14.8, below, Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than twenty (20) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the

“Subject Space”), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the “Transfer Premium”, as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee’s business and proposed use of the Subject Space. Any Transfer made without Landlord’s prior written consent shall, at Landlord’s option, be null, void and of no effect, and shall, at Landlord’s option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord’s reasonable review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys’, accountants’, architects’, engineers’ and consultants’ fees) incurred by Landlord (not to exceed \$3,000 in the aggregate), within thirty (30) days after written request by Landlord.

**14.2 Landlord’s Consent.** Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project;

14.2.2 The Transferee is either a governmental agency or instrumentality thereof;

14.2.3 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; or

14.2.4 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord’s consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord’s right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or

acted unreasonably under this Article 14, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant's business including, without limitation, loss of profits, however occurring) or declaratory judgment and an injunction for the relief sought, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee.

**14.3 Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "**Transfer Premium**," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent reasonably provided to the Transferee in connection with the Transfer (provided that such free rent shall be deducted only to the extent the same is included in the calculation of total consideration payable by such Transferee), and (iii) any brokerage commissions in connection with the Transfer, (iv) reasonable legal fees reasonably incurred in connection with the Transfer, and (v) and fees paid to Landlord in connection with Tenant's request for consent (collectively, "**Tenant's Subleasing Costs**"). "**Transfer Premium**" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value (i) for services rendered by Tenant to Transferee or (ii) assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer.

**14.4 Landlord's Option as to Subject Space.** Notwithstanding anything to the contrary contained in this Article 14 (except for Section 14.8), in the event Tenant contemplates a Transfer which, together with all prior Transfers then remaining in effect, would cause more than fifty percent (50%) of the Premises to be Transferred for more than fifty percent (50%) of the then remaining Lease Term (taking into account any extension of the Lease Term which has irrevocably exercised by Tenant), Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "**Contemplated Transfer Space**"), the contemplated date of commencement of the Contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Such recapture shall cancel and terminate this Lease with respect to such Contemplated Transfer Space as of the Contemplated Effective Date. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same.

**14.5 Effect of Transfer.** If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer or if Tenant does not have a chief financial officer, Tenant's highest ranking financial person, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

**14.6 Intentionally Omitted.**

**14.7 Occurrence of Default.** Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this [Article 14](#) or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Non-Transfers.** Notwithstanding anything to the contrary contained in this Article 14, (i) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant), (ii) an assignment of the Premises to an entity which acquires all or substantially all of the assets or interests (partnership, stock, membership or other) of Tenant, (iii) an assignment of the Premises to an entity which is the resulting entity of a merger or consolidation of Tenant, or (iv) a sale of interests (partnership, stock, membership or other) in Tenant in connection with either a bonafide financing for the benefit of the Tenant or an initial public offering of Tenant's stock on a nationally-recognized stock exchange (collectively, a "**Permitted Transferee**"), shall not be deemed a Transfer under this Article 14, provided that (A) following execution Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such assignment or sublease or such affiliate, (B) such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (C) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, and (D) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("Net Worth") at least equal to the Net Worth of Tenant on the day immediately preceding the effective date of such assignment or sublease. An assignee of Tenant's entire interest that is also a Permitted Transferee may also be known as a "**Permitted Assignee**". "**Control**," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity. No such permitted assignment or subletting shall serve to release Tenant from any of its obligations under this Lease.

## 15. SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises.** No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its reasonable discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

**15.3 Environmental Assessment.** In connection with its surrender of the Premises, Tenant shall submit to Landlord, at least one hundred twenty (120) days prior to the expiration date of this Lease (or in the event of an earlier termination of this Lease, as soon as reasonably possible following such termination), an environmental Assessment of the Premises by a competent and experienced environmental engineer or engineering firm reasonably satisfactory to Landlord (pursuant to a contract approved by Landlord and providing that Landlord can rely on the Environmental Assessment), which (i) evidences that the Premises are in a clean and safe condition and free and clear of any Hazardous Materials for which Tenant is responsible under the terms of this Lease; and (ii) includes a review of the Premises by an environmental consultant for asbestos, mold, fungus, spores, and other moisture conditions, on-site chemical use, and lead-based paint. If such Environmental Assessment reveals that remediation or Clean-up is required under any Environmental Laws for which Tenant is responsible under the terms of this Lease, Tenant shall submit a remediation plan prepared by a recognized environmental consultant and shall be responsible for all costs of remediation and Clean-up, as more particularly provided in Section 5.3, above.

**15.4 Condition of the Building and Premises Upon Surrender.** In addition to the above requirements of this Article 15, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, surrender the Premises and Building such that the same are in compliance with all Applicable Laws for which Tenant is responsible under the terms of this Lease and with Tenant having complied with all of Tenant's obligations under this Lease, including those relating to improvement, repair, maintenance, compliance with law, testing and other related obligations of Tenant set forth in Article 7 of this Lease. In the event that the Building and Premises shall be surrendered in a condition which does not comply with the terms of this Section 15.4, because Tenant failed to comply with its obligations set forth in Lease, then following thirty (30) days notice to Tenant, during which thirty (30) day period Tenant shall have the right to cure such noncompliance, Landlord shall be entitled to expend all reasonable costs in order to cause the same to comply with the required condition upon surrender and Tenant shall immediately reimburse Landlord for all such costs upon notice and Tenant shall be deemed during the period that Tenant or Landlord, as the case may be, perform such obligations to be in holdover under Article 16 of this Lease.

**16. HOLDING OVER** If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, without the express or implied consent of Landlord, such tenancy shall be deemed to be a tenancy by sufferance only, and shall not constitute a renewal hereof or an extension for any further term. In either case, Base Rent shall be payable at a monthly rate equal to one hundred twenty-five percent (125%) of the Base Rent applicable during the last rental period of the Lease Term for the initial one (1) month of hold-over and thereafter at a monthly rate equal to one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy or tenancy by sufferance, as the case may be, shall be subject to every other applicable term, covenant and agreement contained herein. Nothing

contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

**17. ESTOPPEL CERTIFICATES** Within ten (10) Business Days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit D, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

**18. SUBORDINATION** This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's delivery to Tenant of commercially reasonable non-disturbance agreement(s) in favor of Tenant from any ground lessors, mortgage holders or lien holders of Landlord who come into existence following the date hereof but prior to the expiration of the Lease Term shall be in consideration of, and a condition precedent to, Tenant's

agreement to subordinate this Lease to any such ground lease, mortgage or lien. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) Business Days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Landlord represents that, as of the date of this Lease, there are no ground or underlying leases or liens of any mortgage or trust deed encumbering the Building or Project. Landlord hereby represents and warrants to Tenant that, as of the date of this Lease, there is no deed of trust or mortgage encumbering the Building.

## **19. DEFAULTS; REMEDIES**

19.1 **Events of Default.** The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) Business Days after written notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 Abandonment of the Premises by Tenant without making commercially reasonable provision for its security; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than two (2) Business Days after notice from Landlord.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default.** Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of the unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

**19.3 Subleases of Tenant.** Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

**19.4 Efforts to Relet.** No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

**20. COVENANT OF QUIET ENJOYMENT** Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

**21. SECURITY DEPOSIT** Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit (the "**Security Deposit**") in the amount set forth in Section 8 of the Summary, as security for the faithful performance by Tenant of all of its obligations under this Lease. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, the removal of property and the repair of resultant damage, and such default is not cured within the applicable cure period under this Lease, Landlord may, without notice to Tenant, but shall not be required to apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default and Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. Any unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within forty-five (45) days following the expiration of the Lease Term. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby irrevocably waives and relinquishes any and all rights, benefits, or protections, if any, Tenant now has, or in the future may have, under Section 1950.7 of the California Civil Code, any successor statute, and all other provisions of law, now or hereafter in effect, including, but not limited to, any provision of law which (i) establishes the time frame by which a landlord must refund a security deposit under a lease, and/or (ii) provides that a landlord may claim from a

security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the subject premises. Tenant acknowledges and agrees that (a) any statutory time frames for the return of a security deposit are superseded by the express period identified in this Article 21, above, and (b) rather than be so limited, Landlord may claim from the Security Deposit (1) any and all sums expressly identified in this Article 21, above, and (2) any additional sums reasonably necessary to compensate Landlord for any and all losses or damages caused by Tenant's default of this Lease, including, but not limited to, all damages or rent due upon termination of Lease pursuant to Section 1951.2 of the California Civil Code.

**22. COMMUNICATIONS AND COMPUTER LINE** Tenant may install, maintain, replace, remove or use any communications or computer wires and cables serving the Premises (collectively, the "**Lines**"), provided that Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease. Tenant shall pay all costs in connection therewith. Landlord reserves the right, (to be exercised by notice given to Tenant concurrently with Landlord's approval), to require Tenant, at Tenant's sole cost and expense, to remove any Lines serving the Premises installed by or on behalf of Tenant, prior to the expiration or earlier termination of this Lease.

### **23. SIGNS**

23.1 **Exterior Signage.** Subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, at its sole cost and expense, may install (i) identification signage on the existing monument sign located at the Building and (ii) at the entrance to the Building (collectively, "**Tenant Signage**"); provided, however, in no event shall Tenant's Signage include an "Objectionable Name," as that term is defined in Section 23.3, of this Lease. All such signage shall be subject to Tenant's obtaining all required governmental approvals. All permitted signs shall be maintained by Tenant at its expense in a first-class and safe condition and appearance. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of its signs at Tenant's sole cost and expense. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of Tenant's Signage (collectively, the "**Sign Specifications**") shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Tenant's Signage. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage, Tenant's and Landlord's rights and obligations under the remaining TCCs of this Lease shall be unaffected.

23.2 **Objectionable Name.** Tenant's Signage shall not include a name or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "**Objectionable Name**"). The parties hereby agree that the following name, or any reasonable derivation thereof, shall be deemed not to constitute an Objectionable Name: "Revolution Medicines."

**23.3 Prohibited Signage and Other Items.** Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

**23.4 Termination of Right to Tenant's Signage.** The rights contained in this Article 23 shall be personal to Original Tenant and its Permitted Assignee, and may only be exercised and maintained by such parties (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) to the extent (x) they are not in default under this Lease (beyond any applicable notice and cure period) and (y) if they occupy the entire Premises. Landlord shall not withhold consent to an approved subtenant's signage provided that it complies with applicable law and the Landlord's current signage program, and such signage does not contain an Objectionable Name.

**24. COMPLIANCE WITH LAW** Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, "**Applicable Laws**"). At its sole cost and expense, Tenant shall promptly comply with all such Applicable Laws which relate to (i) Tenant's use of the Premises, (ii) any Alterations made by Tenant to the Premises, or (iii) the Base Building, but as to the Base Building, only to the extent such obligations are triggered by Alterations made by Tenant to the Premises to the extent such Alterations are not normal and customary business office improvements, or Tenant's use of the Premises for non general office or life-science use. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with Applicable Laws to the extent required in this Article 24. Notwithstanding the foregoing terms of this Article 24 to the contrary, Tenant may defer such compliance with Applicable Laws while Tenant contests, in a court of proper jurisdiction, in good faith, the applicability of such Applicable Laws to the Premises or Tenant's specific use or occupancy of the Premises; provided, however, Tenant may only defer such compliance if such deferral shall not (a) prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, (b) prohibit Landlord from obtaining or maintaining a certificate of occupancy for the Building or any portion thereof, (c) unreasonably and materially affect the safety of the employees and/or invitees of Landlord or Tenant, (d) create a significant health hazard for the employees and/or invitees of Landlord or Tenant, (e) otherwise materially and adversely affect Tenant's use of or access to the Buildings or the Premises, or (f) impose material obligations, liability, fines, or penalties upon Landlord, or would materially and adversely affect the use of or access to the Building by Landlord. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. Landlord shall comply with all Applicable Laws relating to the Base Building, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees, or would otherwise materially and adversely affect Tenant's use

of or access to the Premises. Further, Landlord shall be responsible to cause the exterior of the Building to be in compliance with applicable ADA requirements to the extent required to allow the legal occupancy of the Premises for the permitted use (unless specifically caused by Tenant's interior design or Tenant's relocation of existing entrances for required egress from the Building). Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent not prohibited by the terms of Section 4.2.4 above. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASP).

**25. LATE CHARGES** If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) Business Days after Tenant's receipt of written notice from Landlord that said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. Notwithstanding the foregoing, Landlord shall not charge Tenant a late charge for the first (1st) late payment in any twelve (12) month period (but in no event with respect to any subsequent late payment in any twelve (12) month period) during the Lease Term that Tenant fails to timely pay Rent or another sum due under this Lease, provided that such late payment is made within three (3) Business Days following the expiration of the five (5) Business Day period following written notice. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

## **26. LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT**

**26.1 Landlord's Cure.** All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

**26.2 Tenant's Reimbursement.** Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in

Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

**27. ENTRY BY LANDLORD** Landlord reserves the right at all reasonable times and upon not less than one (1) Business Day's prior notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or, during the last nine (9) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility (to the extent applicable pursuant to then applicable law); or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment; provided that at all times Landlord shall comply with Tenant's security measures in effect from time to time, which may entail, except in case of an emergency, being accompanied by a representative of Tenant. Provided that Landlord employs commercially reasonable efforts to minimize interference with the conduct of Tenant's business in connection with entries into the Premises, Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and shall take such reasonable steps as required to accomplish the stated purposes. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. Tenant shall have the right to have an employee of Tenant accompany Landlord in connection with any such entry, except in the event of an emergency.

**28. TENANT PARKING** Tenant shall have the right, without the payment of any parking charge or fee (other than as a reimbursement of operating expenses to the extent allowed pursuant to the terms or Article 4 of this Lease, above), commencing on the first day of the Early Access Period, to use the amount of unreserved parking spaces and reserved visitor parking spaces (the exact location of which shall be designated by Landlord set forth in Section 9 of the Summary, on a monthly basis throughout the Lease Term, which parking spaces shall be located in the on-site parking facility (or facilities) which serve the Project. Notwithstanding the foregoing, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking spaces by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking spaces is conditioned upon Tenant abiding by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking spaces are located (including any sticker or other identification system established by Landlord and the prohibition of vehicle repair and maintenance activities in the parking facilities), and shall cooperate in seeing that Tenant's employees and visitors also comply with such rules and regulations. Tenant's use of the Project parking facility shall be at Tenant's sole risk and Tenant acknowledges and agrees that Landlord shall have no liability whatsoever for damage to the vehicles of Tenant, its employees and/or visitors, or for other personal injury or property damage or theft relating to or connected with the parking rights granted herein or any of Tenant's, its employees' and/or visitors' use of the parking facilities.

## 29. MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions.** The words “**Landlord**” and “**Tenant**” as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect.** Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights.** No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant’s obligations under this Lease.

29.4 **Modification of Lease.** Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) Business Days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) Business Days following the request therefor.

29.5 **Transfer of Landlord’s Interest.** Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord’s obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, and Tenant shall attorn to such transferee.

29.6 **Prohibition Against Recording.** Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty.** In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building, provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits,

loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the premises and any and all income derived or derivable therefrom.

29.14 **Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices.** All notices, demands, statements, designations, approvals or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) delivered by a nationally recognized overnight courier, or (C) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth below, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the telecopy is transmitted, (iii) the date the overnight courier delivery is made, or (iv) the date personal delivery is made. As of the date of this Lease, any Notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

HCP LS Redwood City, LLC  
c/o HCP, Inc.  
1920 Main Street, Suite 1200  
Irvine, CA 92614  
Attention: Legal Department

and:

HCP Life Science Estates  
400 Oyster Point Boulevard, Suite 409  
South San Francisco, CA 94080  
Attention: Jonathan M. Bergschneider

and

Allen Matkins Leck Gamble Mallory & Natsis LLP 1901 Avenue of the Stars  
Suite 1800  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

29.19 **Joint and Several.** If there is more than one tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority.** If Tenant is a corporation, trust or partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in the State of California.

29.21 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. Landlord shall pay Brokers a commission pursuant to a separate written agreement. The terms of this Section 29.24 shall survive the expiration or earlier termination of the Lease Term.

29.25 **Independent Covenants.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name, Address and Signage.** Landlord shall have the right at any time to change the name and/or address of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises and Tenant's standard marketing materials including its information on its web page, without the prior written consent of Landlord.

29.27 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality.** Tenant acknowledges that the content of this Lease and any related documents are confidential information. Except as otherwise required by applicable law (including applicable securities regulations), Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants, and current or prospective assignees, subtenants, investors, lenders and purchasers.

29.29 **Development of the Project.**

29.29.1 **Subdivision.** Landlord reserves the right to subdivide all or a portion of the buildings and Common Areas. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from a subdivision and any all maps in connection therewith, provided such documents do not (i) adversely affect Tenant's rights under this Lease, (ii) adversely affect Tenant's use of the Premises for the Permitted Use, or (iii) increase Tenant's monetary obligations under this Lease, in more than a de minimis manner. Notwithstanding anything to the contrary set forth in this Lease, the separate ownership of any buildings and/or Common Areas by an entity other than Landlord shall not affect the calculation of Direct Expenses or Tenant's payment of Tenant's Share of Direct Expenses.

29.29.2 **Construction of Property and Other Improvements.** Tenant acknowledges that portions of the Project may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction. Notwithstanding the foregoing, Landlord shall use commercially reasonable efforts to perform such construction in a manner designed to minimize the impact on Tenant's access to and use of the Premises.

29.30 **No Violation.** Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.31 **Transportation Management.** Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Project and/or the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. Such programs may include, without limitation: (i) restrictions on the number of peak-hour vehicle trips generated by Tenant; (ii) increased vehicle

occupancy; (iii) implementation of an in-house ridesharing program and an employee transportation coordinator; (iv) working with employees and any Project, Building or area-wide ridesharing program manager; (v) instituting employer-sponsored incentives (financial or in-kind) to encourage employees to rideshare; and (vi) utilizing flexible work shifts for employees.

29.32 **Business Days**. For purposes of this Lease, a “**Business Day**” shall mean any day other than a Saturday or Sunday, or a generally recognized national or bank holiday .

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

HCP LS REDWOOD CITY, LLC,  
a Delaware limited liability company

By: /s/ Jonathan M. Bergschneider  
Jonathan M. Bergschneider,  
Executive Vice President

TENANT:

REVOLUTION MEDICINES, INC.,  
a Delaware corporation

By: /s/ Margaret A. Horn  
Margaret A. Horn  
Print Name

Its: SVP, General Counsel

**EXHIBIT A**

**SEAPORT CENTRE**

**OUTLINE OF PREMISES**

Exhibit A



Second Floor



First Floor

EXHIBIT A

**EXHIBIT A-1**  
**SEAPORT CENTRE**  
**PROJECT SITE PLAN**

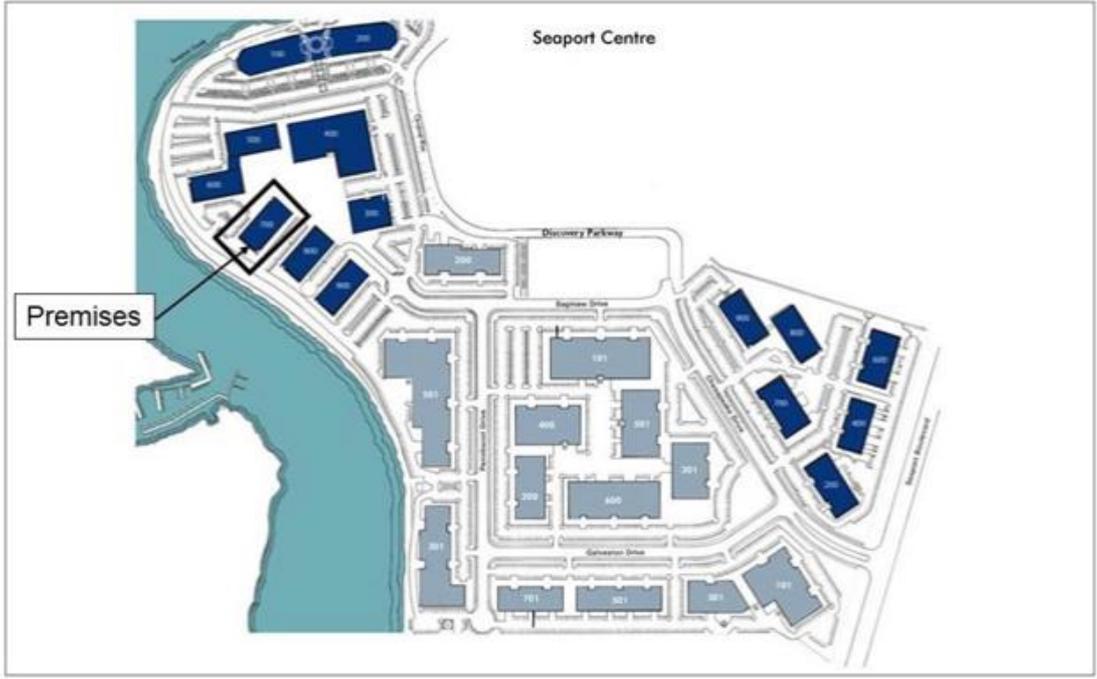


EXHIBIT A-1  
1

**EXHIBIT B**

**SEAPORT CENTRE**

**TENANT WORK LETTER**

This Tenant Work Letter shall set forth the terms and conditions relating to the initial improvement of the Premises for Tenant following the date of this Lease. This Tenant Work Letter is essentially organized chronologically and addresses the issues of construction, in sequence, as such issues will arise during construction in the Premises.

**SECTION 1**

**CONDITION OF PREMISES**

Landlord shall deliver the Premises to Tenant as provided in the Lease. Tenant acknowledges that Tenant shall accept the Premises in their existing, "as-is" condition on the date of delivery thereof to Tenant. Except for the payment of the Tenant Improvement Allowance as provided in Section 2, below, Landlord shall have no obligation to make or pay for any improvements to the Premises except to the extent expressly set forth in the Lease.

**SECTION 2**

**TENANT IMPROVEMENTS**

2.1 **Tenant Improvement Allowance**. Commencing as of the first day of the Early Access Period, Tenant shall be entitled to use the "Tenant Improvement Allowance", as defined in Section 5 of the Summary to this Lease, for the costs relating to the initial design and construction of Tenant's improvements, which are permanently affixed to the Premises or which are "Tenant Improvement Allowance Items," as that term is defined in Section 2.2.1, below (collectively, the "**Tenant Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter or otherwise in connection with Tenant's construction of the Tenant Improvements or any Tenant Improvement Allowance Items, as defined below, in a total amount which exceeds the sum of the Tenant Improvement Allowance plus the Additional Tenant Improvement Allowance. All Tenant Improvements for which the Tenant Improvement Allowance and the Additional Tenant Improvement Allowance have been made available shall be deemed Landlord's property under the terms of the Lease; provided, however, Landlord may, by written notice to Tenant given concurrently with Landlord's approval of the "Final Working Drawings", as that term is defined in Section 3.3, below, require Tenant, prior to the end of the Lease Term, or given following any earlier termination of this Lease, at Tenant's expense, to remove any Tenant Improvements and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a condition comparable to that which existed upon Landlord's delivery of the Premises to Tenant. Any portion of the Tenant Improvement Allowance that is not disbursed or allocated for disbursement by the date that is twenty four (24) months after the first day of the Early Access Period, shall revert to Landlord and Tenant shall have no further rights with respect thereto.

In addition to the Tenant Improvement Allowance, Tenant shall have the right, by written request to Landlord given prior to the completion of construction of the Tenant Improvements, to cause Landlord to provide up to \$15.00 per RSF (i.e., up to \$628,740.00) in additional funds (the “**Additional Tenant Improvement Allowance**”) towards the payment of the costs of the Tenant Improvement Allowance Items. In the event Tenant exercises its right to use all or any portion of the Additional Tenant Improvement Allowance, the monthly Base Rent for the Premises shall be increased by an amount equal to the “Additional Monthly Base Rent,” as that term is defined below, in order to repay the Additional Tenant Improvement Allowance to Landlord. The “**Additional Monthly Base Rent**” shall be determined as the missing component of an annuity, which annuity shall have (i) the amount of the Additional Tenant Improvement Allowance utilized by Tenant as the present value amount, (ii) the number of full calendar months remaining in the Lease Term as the number of payments, and (iii) ten percent (10%) per annum, as the annual interest factor. Any portion of the Additional Improvement Allowance that is not disbursed or allocated for disbursement (based on work done on the Premises) by the date that is twenty four (24) months after the first day of the Early Access Period, shall be deemed to have not been elected to be used by Tenant, and Landlord shall have no further obligations to provide the same to Tenant. If Tenant elects to use any of the Additional Tenant Improvement Allowance, then the parties shall enter into an amendment in the form attached hereto as **Exhibit F** to document the Additional Monthly Base Rent payable by Tenant (but the execution of such amendment shall not be a condition to Tenant’s obligations to pay such amounts).

## 2.2 **Disbursement of the Tenant Improvement Allowance.**

2.2.1 **Tenant Improvement Allowance Items.** Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance and Additional Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the “**Tenant Improvement Allowance Items**”):

2.2.1.1 Payment of all reasonable fees of the “Architect” and the “Engineers,” as those terms are defined in Section 3.1 of this Tenant Work Letter, project management fees, and payment of the reasonable fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord’s consultants in connection with the preparation and review of the “Construction Drawings,” as that term is defined in Section 3.2 of this Tenant Work Letter;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The payment for all demolition and removal of existing improvements in the Premises;

2.2.1.4 The cost of construction of the Tenant Improvements, including, without limitation, lab casework/millwork and fixtures related to lab equipment, testing and inspection costs, costs incurred for removal of existing furniture, fixtures or equipment in the Premises, hoisting and trash removal costs, and contractors’ fees and general conditions;

EXHIBIT B

2.2.1.5 The cost of any changes in the Base Building when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.6 The cost of any changes to the Construction Drawings or Tenant Improvements required by all applicable building codes (the "Code");

2.2.1.7 Sales and use taxes;

2.2.1.8 Subject to Section 2.2, above, all other actual out-of-pocket costs expended by Landlord in connection with the construction of the Tenant Improvements, including, without limitation, costs expended by Landlord pursuant to Section 4.1.1 of this Tenant Work Letter, below.

Tenant Improvement Allowance Items shall not include moving or relocation expenses, furniture, fixtures, equipment signage, data or telephonic cabling, or other personal property.

2.2.2 **Disbursement of Tenant Improvement Allowance.** During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance and Additional Improvement Allowance, if applicable, for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows.

2.2.2.1 **Monthly Disbursements.** On or before the fifth (5<sup>th</sup>) day of each calendar month, during the design and construction of the Tenant Improvements (or such other date as Landlord may reasonably designate), Tenant shall deliver to Landlord: (i) a request for amounts due to be paid to the "Contractor," as that term is defined in Section 4.1.1 of this Tenant Work Letter (or other approved vendors, suppliers or consultants noted in Section 2.2.1), approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials for the Premises; (iii) executed mechanic's lien releases, as applicable, from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 3262(d); and (iv) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Within forty-five (45) days thereafter, Landlord shall deliver a check to Tenant made payable to Tenant in payment of the lesser of: (A) the amounts so requested by Tenant as set forth in this Section 2.2.3.1, above (or, subject to the terms of Section 4.2.1, below, a percentage thereof), and (B) the balance of any remaining available portion of the Tenant Improvement Allowance and Additional Improvement Allowance, if applicable, provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Working Drawings," as that term is defined in Section 3.5 below, or due to any substandard work. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

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2.2.2.2 **Final Deliveries.** Following the completion of construction of the Tenant Improvements, Tenant shall deliver to Landlord properly executed final mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from all of Tenant's Agents, and a certificate certifying that the construction of the Tenant Improvements in the Premises has been substantially completed. Tenant shall record a valid Notice of Completion in accordance with the requirements of Section 4.3 of this Tenant Work Letter.

2.2.2.3 **Other Terms.** Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance and Additional Improvement Allowance, if applicable, to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance and Additional Improvement Allowance have been made available shall be deemed Landlord's property under the terms of this Lease.

2.3 **Building Standards.** The quality of Tenant Improvements shall be in keeping with the existing improvements in the Premises.

### SECTION 3

#### CONSTRUCTION DRAWINGS

3.1 **Selection of Architect.** Tenant shall retain DGA (which entity is hereby approved by Landlord) or other architect/space planner (the "**Architect**") approved in advance by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) to prepare the Final Space Plan and Final Working Drawings as provided in Section 3.2 and 3.3, below. Tenant shall retain engineering consultants or design/build subcontractors designated by Tenant and reasonably approved in advance by Landlord (the "**Engineers**"), (which approval shall not be unreasonably withheld, conditioned or delayed), to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises. All such plans and drawings shall comply with the drawing format and specifications reasonably determined by Landlord, and shall be subject to Landlord's reasonable approval (which approval shall not be unreasonably withheld, conditioned or delayed). Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of any plans or drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters.

3.2 **Final Space Plan.** Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, labs, rooms and other partitioning, their intended

EXHIBIT B

use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) Business Days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. If Landlord fails to respond to Tenant's submittal of the Final Space Plan within such five (5) Business Day period, Tenant may provide a written "reminder notice". If Landlord fails to respond within two (2) Business Days after receipt of the reminder notice, the Final Space Plan as submitted by Tenant shall be deemed approved

3.3 **Final Working Drawings.** After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, Title 24 calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the "Final Working Drawings" (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is sufficiently complete to allow all of Tenant's Agents to bid on the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within ten (10) Business Days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Working Drawings to be revised in accordance with such review and any disapproval of Landlord in connection therewith. If Landlord fails to respond to Tenant's submittal of the Final Space Plan within such ten (10) Business Day period, Tenant may provide a written "reminder notice". If Landlord fails to respond within two (2) Business Days after receipt of the reminder notice, the Final Working Drawings as submitted by Tenant shall be deemed approved

3.4 **Approved Working Drawings.** The Final Working Drawings shall be approved by Landlord (the "Approved Working Drawings") prior to the commencement of construction of the Premises by Tenant. Concurrently with Tenant's delivery of the Final Working Drawings to Landlord for Landlord's approval, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed.

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**SECTION 4**

**CONSTRUCTION OF THE TENANT IMPROVEMENTS**

**4.1 Tenant's Selection of Contractors.**

4.1.1 **The Contractor; Landlord's Project Manager.** Tenant shall retain Landmark Builders (which entity is hereby approved by Landlord) or other licensed general contractor, approved in advance by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), to construct the Tenant Improvements ("**Contractor**"). If Landlord fails to respond to Tenant's submittal of the Contractor within five (5) Business Days, Tenant may provide a written "reminder notice". If Landlord fails to respond within two (2) Business Days after receipt of the reminder notice, the Contractor as submitted by Tenant shall be deemed approved. Landlord hereby approves Landmark Builders as a licensed general contractor which Tenant may retain. Landlord shall retain Project Management Advisors, Inc. ("**PMA**") as a third party project manager for design and construction oversight of the Tenant Improvements on behalf of Landlord, and Tenant shall pay a fee to Landlord with respect to the PMA services equal to \$3,825.00 per month of design and construction, but in no event less than \$1.44 per RSF of the Premises (i.e., \$60,359.04).

4.1.2 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers used by Tenant and the Contractor are referred to collectively as "**Tenant's Agents**". The subcontractors used by Tenant, but not any laborers, materialmen, and suppliers, must be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, Landlord may nevertheless designate and require the use of particular mechanical, engineering, plumbing, fire life-safety and other Base Building subcontractors. If Landlord does not approve any of Tenant's proposed subcontractors, Tenant shall submit other proposed subcontractors for Landlord's written approval. If Landlord fails to respond to Tenant's submittal of the Tenant's Agents within five (5) Business Days, Tenant may provide a written "reminder notice". If Landlord fails to respond within two (2) Business Days after receipt of the reminder notice, the applicable Tenant's Agents as submitted by Tenant shall be deemed approved.

**4.2 Construction of Tenant Improvements by Tenant's Agents.**

4.2.1 **Construction Contract; Cost Budget.** Tenant shall engage the Contractor under a commercially reasonable and customary construction contract, reasonably approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed (collectively, the "**Contract**"). If Landlord fails to respond to Tenant's submittal of the Contract within five (5) Business Days, Tenant may provide a written "reminder notice". If Landlord fails to respond within two (2) Business Days after receipt of the reminder notice, the Contract as submitted by Tenant shall be deemed approved. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.10, above, in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the estimated total costs of the work of the Tenant Improvement project (the "**Final Budget**"). In the event that the

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Final Budget exceeds the amount of the Tenant Improvement Allowance (such amount, the “**Over-Allowance Amount**”), Tenant shall pay a fraction of each amount to be disbursed by Landlord to the Contractor or otherwise pursuant to the terms of this Tenant Work Letter, the numerator of which fraction shall equal the Over-Allowance Amount, and the denominator of which fraction shall equal the Final Budget, and such payment by Tenant shall be a condition to Landlord’s obligation to pay any amounts of the Tenant Improvement Allowance. In the event that, after the Final Costs have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements shall change, any additional costs necessary to such design and construction in excess of the Final Costs, shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at Landlord’s option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in Sections 2.2.2.1 (i), (ii), (iii) and (iv) of this Tenant Work Letter, above, for Landlord’s approval, prior to Tenant paying such costs. All Tenant Improvements paid for by the Over-Allowance Amount shall be deemed Landlord’s property under the terms of the Lease.

#### 4.2.2 **Tenant’s Agents.**

4.2.2.1 **Compliance with Drawings and Schedule.** Tenant’s and Tenant’s Agent’s construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Working Drawings; and (ii) Tenant’s Agents shall submit schedules of all work relating to the Tenant’s Improvements to Contractor and Contractor shall, within five (5) Business Days of receipt thereof, inform Tenant’s Agents of any changes which are necessary thereto, and Tenant’s Agents shall use commercially reasonable efforts to adhere to such corrected schedule.

4.2.2.2 **Indemnity.** Tenant’s indemnity of Landlord as set forth in this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant’s Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant’s non-payment of any amount arising out of the Tenant Improvements and/or Tenant’s disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord’s performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises. The foregoing indemnity shall not apply to claims caused by the gross negligence or willful misconduct of Landlord, its member partners, shareholders, officers, directors, agents, employees, and/or contractors.

4.2.2.3 **Requirements of Tenant’s Agents.** Each of Tenant’s Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of substantial completion of the work under the Contract (“**Substantial Completion**”). Each of Tenant’s Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after Substantial Completion. The correction of such work shall include, without additional charge, all additional

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expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to allow such right of direct enforcement.

**4.2.2.4 Insurance Requirements.**

**4.2.2.4.1 General Coverages.** All of Tenant's Agents shall carry the following insurance provided by insurers with an A.M. Best rating of A- VIII or better: (1) worker's compensation insurance covering all of their respective employees with a waiver of subrogation in favor of Landlord and Landlord's Representative, and (2) commercial general liability insurance, including contractual and products/completed operations coverage with a limit not less than \$1,000,000 per occurrence/\$2,000,000 aggregate. Tenant shall require the Agents' commercial general liability insurance policies name Landlord and Landlord's and Landlord's Representative as additional insureds with respect to the work being done under this agreement.

**4.2.2.4.2 Special Coverages.** While the total cost of the work to be done is \$100,000 or more, Tenant shall carry "Builder's All Risk" insurance covering the construction of the Tenant Improvements in an amount equal to the total of the hard and soft costs of such work, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to this Lease immediately upon completion thereof.

**4.2.2.4.3 General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. Should any policies expire during the time work is being done under this agreement, a renewal certificate shall be delivered to Landlord prior to the expiration date on such policy. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord,. All policies carried under this Section 4.2.2.4, except workers compensation, shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents, and "Landlord's Representative", as that term is defined below. All insurance maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. All such insurance required of tenant and its Agents shall provide that it is primary insurance as respects the owner and Landlord's Representative and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter.

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4.2.3 **Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 **Inspection by Landlord.** Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements, on the grounds that the construction is defective or fails to comply with the Approved Working Drawings, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any such defects or deviations shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists that might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building, Landlord may, take such action as Landlord reasonably deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's reasonable satisfaction.

4.2.5 **Meetings.** Commencing upon the execution of this Lease, Tenant shall hold meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 **Notice of Completion; Copy of Record Set of Plans.** Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a valid Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (x) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (y) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (z) to deliver to Landlord two (2) sets of copies of such record set of drawings (hard copy and CAD files) within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) upon written request by Landlord, Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating

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manuals and information relating to the improvements, equipment, and systems in the Premises. Within fifteen (15) days after request by Tenant following the Substantial Completion of the Tenant Improvements, Landlord will acknowledge its approval of the Tenant Improvements (provided that such approval has been granted) by placing its signature on a Contractor's Certificate of Substantial Completion fully executed by the Architect, Contractor and Tenant. Landlord's approval shall not create any contingent liabilities for Landlord with respect to any latent quality, design, Code compliance or other like matters that may arise subsequent to Landlord's approval.

## SECTION 5

### MISCELLANEOUS

5.1 **Tenant's Entry Into the Premises Prior to Substantial Completion**. Prior to Tenant's entry into the Premises for the purpose of installing equipment, furniture or fixtures (including Tenant's data and telephone equipment) in the Premises, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 5.1

5.2 **Tenant's Representative**. Tenant shall provide in writing prior to commencement of construction the name of its sole representatives with respect to the matters set forth in this Tenant Work Letter (which representative may be changed at any time by Tenant by written notice to Landlord in accordance with the notice provisions of the Lease), who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.3 **Landlord's Representative**. Landlord has designated PMA as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.4 **Time is of the Essence in This Tenant Work Letter**. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.5 **Tenant's Lease Default**. Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any default by Tenant under the Lease or this Tenant Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount) occurs at any time and such default remains uncured ten (10) days following Landlord's notice of such default to Tenant, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Additional Tenant Improvement Allowance, and Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements and any costs occasioned thereby).

EXHIBIT B

EXHIBIT C

SEAPORT CENTRE

NOTICE OF LEASE TERM DATES

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Lease dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_, a \_\_\_\_\_ (“**Landlord**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Tenant**”) concerning Suite \_\_\_\_\_ on floor(s) \_\_\_\_\_ of the building located at \_\_\_\_\_, California.

Gentlemen:

In accordance with the Lease (the “**Lease**”), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on \_\_\_\_\_ for a term of \_\_\_\_\_ ending on \_\_\_\_\_.
2. Rent commenced to accrue on \_\_\_\_\_, in the amount of \_\_\_\_\_.
3. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.
4. Your rent checks should be made payable to \_\_\_\_\_ at \_\_\_\_\_.
5. The exact number of rentable/usable square feet within the Premises is \_\_\_\_\_ square feet.
6. Tenant’s Share as adjusted based upon the exact number of usable square feet within the Premises is \_\_\_\_\_%.

**“Landlord”:**

\_\_\_\_\_  
\_\_\_\_\_,  
a \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
\_\_\_\_\_

Agreed to and Accepted as  
of \_\_\_\_\_, 200\_\_.

**“Tenant”:**

\_\_\_\_\_  
\_\_\_\_\_,  
a \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_  
\_\_\_\_\_

EXHIBIT C

2

**EXHIBIT D**

**SEAPORT CENTRE**

**FORM OF TENANT'S ESTOPPEL CERTIFICATE**

The undersigned as Tenant under that certain Lease (the "**Lease**") made and entered into as of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ as Landlord, and the undersigned as Tenant, for Premises consisting of the entire office building located at \_\_\_\_\_, California, certifies as follows:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in **Exhibit A** represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on \_\_\_\_\_, and the Lease Term expires on \_\_\_\_\_, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on \_\_\_\_\_.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in **Exhibit A**.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Tenant shall not modify the documents contained in **Exhibit A** without the prior written consent of Landlord's mortgagee.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through \_\_\_\_\_. The current monthly installment of Base Rent is \$\_\_\_\_\_.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder. The Lease does not require Landlord to provide any rental concessions or to pay any leasing brokerage commissions.

EXHIBIT D

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease. Neither Landlord, nor its successors or assigns, shall in any event be liable or responsible for, or with respect to, the retention, application and/or return to Tenant of any security deposit paid to any prior landlord of the Premises, whether or not still held by any such prior landlord, unless and until the party from whom the security deposit is being sought, whether it be a lender, or any of its successors or assigns, has actually received for its own account, as landlord, the full amount of such security deposit.

10. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Tenant is in full compliance with all federal, state and local laws, ordinances, rules and regulations affecting its use of the Premises, including, but not limited to, those laws, ordinances, rules or regulations relating to hazardous or toxic materials. Tenant has never permitted or suffered, nor does Tenant have any knowledge of, the generation, manufacture, treatment, use, storage, disposal or discharge of any hazardous, toxic or dangerous waste, substance or material in, on, under or about the Project or the Premises or any adjacent premises or property in violation of any federal, state or local law, ordinance, rule or regulation.

14. To the undersigned's knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full. All work (if any) in the common areas required by the Lease to be completed by Landlord has been completed and all parking spaces required by the Lease have been furnished and/or all parking ratios required by the Lease have been met.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

EXHIBIT D

Executed at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

**“Tenant”:**

\_\_\_\_\_  
\_\_\_\_\_,  
a \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT E**

**SEAPORT CENTRE**

**ENVIRONMENTAL QUESTIONNAIRE**

**ENVIRONMENTAL QUESTIONNAIRE  
FOR COMMERCIAL AND INDUSTRIAL PROPERTIES**

**Property Name:** \_\_\_\_\_

**Property Address:** \_\_\_\_\_

**Instructions:** The following questionnaire is to be completed by the Lessee representative with knowledge of the planned operations for the specified building/location. Please print clearly and attach additional sheets as necessary.

**1.0 PROCESS INFORMATION**

Describe planned use, and include brief description of manufacturing processes employed.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2.0 HAZARDOUS MATERIALS**

Are hazardous materials used or stored? If so, continue with the next question. If not, go to Section 3.0.

2.1 Are any of the following materials handled on the Property? Yes  No

(A material is handled if it is used, generated, processed, produced, packaged, treated, stored, emitted, discharged, or disposed.) If so, complete this section. If this question is not applicable, skip this section and go on to Section 5.0.

- |   |                                    |  |
|---|------------------------------------|--|
| <input type="checkbox"/> Explosives             | <input type="checkbox"/> Fuels     | <input type="checkbox"/> Oils                  |
| <input type="checkbox"/> Solvents               | <input type="checkbox"/> Oxidizers | <input type="checkbox"/> Organics/Inorganics   |
| <input type="checkbox"/> Acids                  | <input type="checkbox"/> Bases     | <input type="checkbox"/> Pesticides            |
| <input type="checkbox"/> Gases                  | <input type="checkbox"/> PCBs      | <input type="checkbox"/> Radioactive Materials |
| <input type="checkbox"/> Other (please specify) |                                    |  |

2-2. If any of the groups of materials checked in Section 2.1, please list the specific material(s), use(s), and quantity of each chemical used or stored on the site in the Table below. If convenient, you may substitute a chemical inventory and list the uses of each of the chemicals in each category separately.

<u>Material</u>	<u>Physical State (Solid, Liquid, or Gas)</u>	<u>Usage</u>	<u>Container Size</u>	<u>Number of Containers</u>	<u>Total Quantity</u>
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2-3. Describe the planned storage area location(s) for these materials. Please include site maps and drawings as appropriate.

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**3. HAZARDOUS WASTES**

Are hazardous wastes generated? Yes  No

If yes, continue with the next question. If not, skip this section and go to section 4.0.

3.1 Are any of the following wastes generated, handled, or disposed of (where applicable) on the Property?

- |   |   |
|---|---|
| <input type="checkbox"/> Hazardous wastes | <input type="checkbox"/> Industrial Wastewater  |
| <input type="checkbox"/> Waste oils       | <input type="checkbox"/> PCBs                   |
| <input type="checkbox"/> Air emissions    | <input type="checkbox"/> Sludges                |
| <input type="checkbox"/> Regulated Wastes | <input type="checkbox"/> Other (please specify) |

3-2. List and quantify the materials identified in Question 3-1 of this section.

<u>WASTE GENERATED</u>	<u>RCRA listed Waste?</u>	<u>SOURCE</u>	<u>APPROXIMATE MONTHLY QUANTITY</u>	<u>WASTE CHARACTERIZATION</u>	<u>DISPOSITION</u>
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3-3. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility, if applicable). Attach separate pages as necessary.

Transporter/Disposal Facility Name	Facility Location	Transporter (T) or Disposal (D) Facility	Permit Number
------------------------------------	-------------------	--	---------------

3-4. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? Yes  No

3-5. If so, please describe.

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4.0 USTS/ASTS

4.1 Are underground storage tanks (USTs), aboveground storage tanks (ASTs), or associated pipelines used for the storage of petroleum products, chemicals, or liquid wastes present on site (lease renewals) or required for planned operations (new tenants)? Yes  No

If not, continue with section 5.0. If yes, please describe capacity, contents, age, type of the USTs or ASTs, as well any associated leak detection/spill prevention measures. Please attach additional pages if necessary.

Capacity	Contents	Year Installed	Type (Steel, Fiberglass, etc)	Associated Leak Detection / Spill Prevention Measures*
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\* Note: The following are examples of leak detection / spill prevention measures:

Integrity testing	Inventory reconciliation	Leak detection system
Overfill spill protection	Secondary containment	Cathodic protection

4-2. Please provide copies of written tank integrity test results and/or monitoring documentation, if available.

4-3. Is the UST/AST registered and permitted with the appropriate regulatory agencies?

Yes  No

If so, please attach a copy of the required permits.

EXHIBIT E

4-4. If this Questionnaire is being completed for a lease renewal, and if any of the USTs/ASTs have leaked, please state the substance released, the media(s) impacted (e.g., soil, water, asphalt, etc.), the actions taken, and all remedial responses to the incident.

4-5. If this Questionnaire is being completed for a lease renewal, have USTs/ASTs been removed from the Property?

Yes  No

If yes, please provide any official closure letters or reports and supporting documentation (e.g., analytical test results, remediation report results, etc.).

4-6. For Lease renewals, are there any above or below ground pipelines on site used to transfer chemicals or wastes?

Yes  No

For new tenants, are installations of this type required for the planned operations?

Yes  No

If yes to either question, please describe.

### 5.0 ASBESTOS CONTAINING BUILDING MATERIALS

Please be advised that an asbestos survey may have been performed at the Property. If provided, please review the information that identifies the locations of known asbestos containing material or presumed asbestos containing material. All personnel and appropriate subcontractors should be notified of the presence of these materials, and informed not to disturb these materials. Any activity that involves the disturbance or removal of these materials must be done by an appropriately trained individual/contractor.

### 6.0 REGULATORY

6-1. Does the operation have or require a National Pollutant Discharge Elimination System (NPDES) or equivalent permit?

Yes  No

If so, please attach a copy of this permit.

6-2. Has a Hazardous Materials Business Plan been developed for the site? If so, please attach a copy.

Yes  No

EXHIBIT E

**CERTIFICATION**

I am familiar with the real property described in this questionnaire. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that Lessor will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone: \_\_\_\_\_

EXHIBIT E

**EXHIBIT F**

**SEAPORT CENTRE**

**FORM OF ADDITIONAL TENANT IMPROVEMENT ALLOWANCE AMENDMENT**

**FIRST AMENDMENT TO LEASE**

This FIRST AMENDMENT TO LEASE ("**Amendment**") is made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between **HCP LS REDWOOD CITY, LLC**, a Delaware limited partnership ("**Landlord**"), and **REVOLUTION MEDICINES, INC.**, a Delaware corporation ("**Tenant**").

**R E C I T A L S :**

A. Landlord and Tenant are parties to that certain Lease dated November , 2014, (the "**Lease**"), pursuant to which Tenant leases the entire building (the "**Premises**") containing approximately 41,916 rentable square feet of space and located at 700 Saginaw Drive, Redwood City, California (the "**Building**").

B. Landlord and Tenant desire to amend the Lease on the terms and conditions set forth in this Amendment.

**A G R E E M E N T :**

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Terms.** All capitalized terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this Amendment.

2. **Alterations Allowance.** Pursuant to the terms of **Section 2.1** of the Tenant Work Letter attached to the Lease, Tenant was entitled to an "Additional Tenant Improvement Allowance" of up to \$15.00 per RSF of the Premises (i.e., up to \$628,740.00). Notwithstanding any provision to the contrary contained in the Lease, Landlord and Tenant hereby acknowledge and agree that Tenant has utilized \_\_\_\_\_ and \_\_\_\_/100 Dollars (\$\_\_\_\_\_.\_\_\_\_) of the Additional Tenant Improvement Allowance (the "**Utilized Additional Allowance**").

EXHIBIT F

3. Additional Monthly Base Rent. As a result of Tenant's use of the Utilized Additional Allowance, Tenant is required to pay Additional Monthly Base Rent calculated as provided in Section 8.6 of the Lease, which Additional Monthly Base Rent shall be as follows

Date	Additional Monthly Base Rent
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____

4. No Further Modification. Except as specifically set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

LANDLORD:

HCP LS REDWOOD CITY, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Jonathan M. Bergschneider,  
Executive Vice President

TENANT:

REVOLUTION MEDICINES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
\_\_\_\_\_  
Print Name

Its: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

Its: \_\_\_\_\_

**EXHIBIT G**

**SEAPORT CENTRE**

**FURNITURE TO BE REMOVED**

The following items will be retained by Relypsa, Inc.

- All Portable Scientific Equipment (i.e. bench-top equipment, etc.)
- TV Monitors and brackets (AV Cabling and controls to remain)
- Computer Screens, Docking Stations, Printers, Copiers, PC's, etc.
- Free Standing File Cabinets and Fire Files
- Glassware Washer
- Ice Machine
- Soda Fountain
- 1st Floor Refrigerator
- Supplies and supply racks
- UPS
- Server Racks
- Wireless / Cell Repeaters
- Corporate Signage (Lobby, Employee Entrance)
- Phone System
- Ancillary Furniture (Poofs, casual seating, break room furniture, etc.)
- Security System Computer and Mainframe

EXHIBIT G

**EXHIBIT H**

**RULES AND REGULATIONS**

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall bear the cost of any lock changes or repairs required by Tenant (provided that Landlord shall re-key the exterior locks in connection with the construction of the Tenant Improvements).

2. Intentionally Omitted.

3. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture (other than typical office furniture), freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. Intentionally Omitted.

6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building which can be seen from outside the Premises without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent; provided, however, that Landlord's prior written consent shall not be required for the hanging of normal and customary office artwork and personal items. Tenant shall not purchase spring water, ice, towel, linen, maintenance or other like services from any person or persons not included on an approved list that Landlord shall provide to Tenant upon request.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline or other inflammable or combustible fluid, chemical, substance or material except to the extent permitted under the Lease.

12. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals, birds, aquariums. Tenant will be allowed to bring bicycles into the Premises, but shall not store them in any common areas except in areas designated by Landlord for such purpose.

15. No cooking shall be done or permitted on the Premises (unless Landlord's approval is obtained in advance), nor shall the Premises be used for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

EXHIBIT H

16. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord commercially reasonable efforts to ensure the most effective operation of the Building's heating and air conditioning system.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of wing and disposing of trash and garbage in the city in which the Building is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Intentionally omitted.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises, if any, which have a view of any interior portion of the Building or Building Common Areas.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

EXHIBIT H

26. Tenant must comply with the State of California “**No-Smoking**” law set forth in California Labor Code Section 6404.5, and any local “No-Smoking” ordinance which may be in effect from time to time and which is not superseded by such State law.

27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

28. All non-standard office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

29. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord’s judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

EXHIBIT H

FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO LEASE (“**First Amendment**”) is made and entered into as of September 16, 2016, by and between **HCP LS REDWOOD CITY, LLC**, a Delaware limited partnership (“**Landlord**”), and **REVOLUTION MEDICINES, INC.**, a Delaware corporation (“**Tenant**”).

R E C I T A L S

A. Landlord and Tenant are parties to the Lease dated January 15, 2015 (the “**Lease**”), pursuant to which Tenant leases approximately 41,916 rentable square feet of space (the “**Premises**”) consisting of the entire building (“**Building**”) located at 700 Saginaw Drive, Redwood City, CA.

B. Tenant entered into that certain Sublease, of a portion of the Building, dated as of July 15, 2015 (the “**Original Pliant Sublease**”) with Pliant Therapeutics, Inc. (“**Pliant**”) (which was mistakenly described therein as “Pliant Therapeutics, LLC”). Tenant and Pliant intend to enter into an Amended and Restated Sublease pursuant to which Tenant will sublease additional space to Pliant for a longer period of time that set forth in the Original Pliant Sublease (“**Amended and Restated Sublease**”). Initial sublease was consented to by Landlord pursuant to a Consent to Sublease dated September 4, 2015: Tenant and Pliant are “under common control” within the meaning of Section 14.8 of the Lease and therefore no consent of Landlord is required in connection with the Amended and Restated Sublease, however Landlord’s consent to the planned alterations required by the Amended and Restated Sublease (the “**Lab Improvements**”) will be required.

C. The parties desire to amend the Lease on the terms and conditions set forth in this First Amendment.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Terms.** All capitalized terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this First Amendment.

2. **Condition of the Premises; Conditions; Effective Date.** Landlord and Tenant acknowledge that Tenant has been occupying the Premises pursuant to the Lease, and therefore Tenant continues to accept the Premises in its presently existing, “as is” condition. Except as expressly set forth in the Tenant Work Letter attached to the Lease, as amended by this First Amendment (the “**Tenant Work Letter**”), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. This First Amendment is conditioned upon (a) the full execution and delivery of the Amended and Restated Sublease, and (b) Landlord’s consent to the Lab Improvements in form and substance satisfactory to Tenant and Pliant (the “**Conditions to Effectiveness**”). In the event the Conditions to

Effectiveness have not been satisfied by October 31, 2016, Tenant may terminate this First Amendment by written notice to Landlord. The “**Effective Date**” of this First Amendment shall be the date upon which all of the following have occurred: Landlord and Tenant have executed and delivered this First Amendment, the Amended and Restated Sublease has fully executed and delivered, and the Landlord has delivered to Tenant the Landlord’s consent to the Lab Improvements, in form and substance satisfactory to Tenant and Pliant.

3. **Extended Lease Term.** Pursuant to the Lease, the Lease Term is scheduled to expire on April 30, 2022. Landlord and Tenant hereby agree to extend the Lease Term for a period of one (1) year, from May 1, 2022, through April 30, 2023 (the “**Extended Term**”), on the terms and conditions set forth in the Lease, as hereby amended by this First Amendment, unless sooner terminated as provided in the Lease.

3.1 **Option to Extend Lease Term.** Landlord and Tenant acknowledge and agree that the Extended Term provided herein shall not be deemed to represent the Tenant’s option to extend the Lease Term as provided in Section 2.2 of the Lease, and that Tenant shall continue to have one (1) option to extend the Lease Term for a period of five (5) years in accordance with, and pursuant to, the terms of, Section 2.2 of the Lease.

4. **Rent.**

4.1 **Base Rent.** Prior to May 1, 2022, Tenant shall continue to pay monthly installments of Base Rent for the Premises in accordance with the terms of the Lease. During the Extended Term, Tenant shall pay monthly installments of Base Rent for the Premises as follows:

Period During Extended Term	Annual Base Rent	Monthly Installment of Base Rent	Monthly Rental Rate per Square Foot
May 1, 2022			
April 30, 2023	\$2,102,095.635	\$175,174.64	\$4.179

4.2 **Direct Expenses.** Throughout the Extended Term, Tenant shall continue to pay Tenant’s Share of all Direct Expenses in accordance with the terms of the Lease.

5. **No Broker.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this First Amendment, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this First Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys’ fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, occurring by, through, or under the indemnifying party. The terms of this Section 5 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

6. **California Accessibility Disclosure.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges that the Common Areas and the Premises have not undergone inspection by a Certified Access Specialist (CASp).

7. **Modification of Tenant Work Letter; Lab Improvements Allowance.** Section 2.1 of the Tenant Work Letter attached as **Exhibit B** to the Lease is hereby amended as follows:

7.1 The second sentence of the first paragraph of Section 2.1 is amended to read as follows: “In no event shall the Landlord be obligated to make disbursements pursuant to this Work Letter or otherwise in connection with Tenant’s design and construction of the Tenant Improvements or any Tenant Improvement Allowance Items, as defined below, in a total amount which exceeds the sum of the Tenant Improvement Allowance plus the Additional Tenant Improvement Allowance plus the Lab Improvement Allowance, as defined below.”

7.2 In the third sentence of the first paragraph of Section 2.1, the words “and the Lab Improvement Allowance” are hereby inserted following the phrase “for which the Tenant Improvement Allowance and the Additional Tenant Improvement Allowance”.

7.3 Section 2.1 is hereby amended to provided, that any portion of the Tenant Improvement Allowance or the Additional Tenant Improvement Allowance that is not requested to be disbursed in accordance with the terms of the Work Letter by December 31, 2017 shall be deemed to have not been elected to be used by Tenant and Landlord shall have no further obligation to provide the same to Tenant.

7.4 The following is inserted after the second paragraph of Section 2.1:

“In addition to the Tenant Improvement Allowance and the Additional Tenant Improvements Allowance referred to above, Tenant shall have the right, by written request to Landlord given prior to the completion of construction of the Tenant Improvements, to cause Landlord to provide up to \$419,160.00 (*i.e.*, \$10.00 per rentable square foot of the Premises) (“**Tranche One of the Lab Improvement Allowance**”) for the costs of the Tenant Improvements. Tranche One of the Lab Improvement Allowance and Tranche Two of the Lab Improvement Allowance (defined below) are collectively referred to herein as the “**Lab Improvements Allowance**”. Any portion of the Lab Improvement Allowance that is not requested to be disbursed in accordance with the disbursement procedures set forth in this Work Letter by December 31, 2017, shall revert to Landlord and Tenant shall have no further rights with respect thereto.

In addition to Tranche One of the Lab Improvement Allowance, Tenant shall have the right, by written request to Landlord given prior to the completion of construction of the Tenant Improvements, to cause Landlord to provide up to an additional \$10.00 per RSF (*i.e.*, up to \$419,160.00) in additional funds (the “**Tranche Two of the Lab Improvements Allowance**”) for costs of the Tenant Improvements.

In the event Tenant exercises its right to use all or any portion of the Lab Improvements Allowance, the monthly Base Rent for the Premises shall be increased by an amount equal to the “**Lab Improvements Additional Monthly Base Rent**,” as that term is defined below, in order to repay the Lab Improvements Allowance to Landlord.

The "Lab Improvements Additional Monthly Base Rent" shall be determined as the missing component of an annuity, which annuity shall have (i) the amount of the Lab Improvements Allowance utilized by Tenant as the present value amount, (ii) the number of full calendar months remaining in the Lease Term as the number of payments, and (iii) ten percent (10%) per annum, as the annual interest factor.

If Tenant elects to use any of the Lab Improvements Allowance, then the parties shall enter into an amendment in the form attached to the Lease **Exhibit F** (but tailored to refer to the Lab Improvements Allowance and the Lab Improvements Additional Monthly Base Rent) to document the Lab Improvements Additional Monthly Base Rent payable by Tenant (but the execution of such amendment shall not be a condition to Tenant's obligations to pay such amounts)."

8. **No Further Modification.** Except as specifically set forth in this First Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

[signatures contained on following page]

IN WITNESS WHEREOF, this First Amendment has been executed as of the day and year first above written.

LANDLORD:

HCP LS REDWOOD CITY, LLC, a  
Delaware limited liability company

By: /s/ Jonathan M. Bergschneider  
Jonathan M. Bergschneider,  
Executive Vice President

TENANT:

REVOLUTION MEDICINES, INC.,  
a Delaware corporation

By: /s/ Mark A. Goldsmith  
Mark A. Goldsmith, M.D., Ph.D  
Print Name

Its: President & Chief Executive Officer

By: /s/ Margaret A. Horn  
Print Name

Its: Margaret A. Horn  
Sr. Vice President

**SUBLEASE**

**THIS SUBLEASE** (this “Sublease”) is dated for reference purposes as of January 16, 2019, and is made by and between ONCOMED PHARMACEUTICALS, INC., a Delaware corporation (“Sublandlord”), and REVOLUTION MEDICINES, INC., a Delaware corporation (“Subtenant”). Sublandlord and Subtenant hereby agree as follows:

**1. Recitals:** This Sublease is made with reference to the fact that HCP LS Redwood City, LLC, as “Landlord,” (“Master Landlord”) and Sublandlord, as “Tenant,” are parties to that certain Lease dated May 30, 2006, as amended by that certain First Amendment to Lease dated November, 2006, that certain Acknowledgement of Rent Commencement Date dated as of March 9, 2007, that certain Second Amendment to Office Lease dated December 22, 2010, and that certain Third Amendment to Lease dated November 11, 2016 (as amended, the “Master Lease”), with respect to those certain premises consisting of approximately 45,690 rentable square feet described therein (the “Master Premises”) located at 800 Chesapeake Drive, in the Britannia Seaport Centre in Redwood City, California. A copy of the Master Lease is attached hereto as Exhibit A. Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Master Lease.

**2. Subleased Premises:** Subject to the terms and conditions of this Sublease, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, a portion of the Master Premises shown on Exhibit B attached hereto (the “Subleased Premises”). In connection with its use of the Subleased Premises, and subject to Sublandlord’s reasonable rules and regulations, Subtenant shall have the non-exclusive right to use the shared areas outlined on Exhibit B, including the shipping/receiving area for ingress and egress purposes only, the common lobby, shared break room, common restrooms and locker rooms outlined thereon (collectively, the “Shared Areas”), in each case to the extent permitted by and on the terms set forth in the Master Lease and subject to Sublandlord’s reasonable rules and regulations. Subtenant shall have no right to enter, and shall prevent its employees, agents, contractors and invitees from entering any portions of the Master Premises other than the Subleased Premises and the Shared Areas.

**3. Term:**

A. **Term.** The term (the “Term”) of this Sublease shall be for the period commencing on the date by which this Sublease is executed by Sublandlord and Subtenant, Master Landlord’s written consent to this Sublease is obtained and Sublandlord delivers the Subleased Premises to Subtenant (the “Commencement Date”) and ending one (1) year thereafter unless this Sublease is sooner terminated pursuant to its terms or the Master Lease is sooner terminated pursuant to its terms (the “Expiration Date”). In the event of (i) an event of default under the Master Lease of which Sublandlord becomes aware, or (ii) notification of an event of default with a cure period, pursuant to Article 14 of the Master Lease, Sublandlord shall promptly, and in no event less than two business days, notify Subtenant of such event of default. To the extent practicable, but not including the payment of monies, the incurring of any liabilities, or the institution of legal proceedings, Sublandlord will facilitate Subtenant’s discussion with Master Landlord regarding the maintenance of this Sublease despite Sublandlord’s default or alleged default. Sublandlord will use commercially reasonable efforts to obtain Master Landlord’s consent (not including the payment of monies, the incurring of any liabilities, or the institution of legal proceedings). Notwithstanding the foregoing, if neither party delivers to the other a written notice of termination at least thirty (30) days prior to the scheduled Expiration Date, then the Term shall automatically be extended on a month-to-month basis (the “Extension Term”). During the Extension Term, either party shall have the right to terminate the Sublease upon thirty (30) days’ prior written notice to the other.

B. **No Options to Extend or Expand.** Notwithstanding anything to the contrary in the Sublease or the Master Lease but subject to the foregoing month-to-month Extension Term, Subtenant shall not have any options to extend or renew the term of the Sublease or any options to expand the Subleased Premises (except as expressly set forth in Paragraph 3.C below).

C. **Right of First Offer.** So long as Subtenant is not and has not been in default of any term or provision of this Sublease, if Sublandlord determines to sublease a portion of or the entire remaining balance of the vivarium space in the Master Premises, then Sublandlord shall notify Subtenant in writing (such written notice, the "Offer Notice") of the terms on which Sublandlord would be willing to sublease the same, which terms may include, without limitation, the subleasing of other portions of the Master Premises at Sublandlord's sole discretion (such vivarium space together with such other portions of the Master Premises included in the Offer Notice, the "Offer Space"). If Subtenant, within five (5) business days after receipt of Sublandlord's Offer Notice, accepts Sublandlord's offer in the Offer Notice and indicates in writing its agreement to sublease the Offer Space on the terms stated in Offer Notice, then, subject to Master Landlord's consent, Sublandlord shall sublease to Subtenant and Subtenant shall sublease from Sublandlord the Offer Space on the terms stated in the Offer Notice (and all other terms set forth in this Sublease that are not inconsistent with the terms set forth in the Offer Notice). Upon such acceptance by Subtenant, (i) Sublandlord shall prepare an amendment to the Sublease reflecting all such terms, (ii) Subtenant shall promptly (and in all events within ten (10) business days after receipt of the same) execute the same, and (iii) the rights of Subtenant under this Paragraph 3.C shall terminate in their entirety and shall no longer be in effect. If Subtenant does not indicate in writing its agreement to sublease the Offer Space on the terms contained in the Offer Notice within said five (5) business day period, or if Master Landlord shall withhold its consent to the sublease of the Offer Space to Subtenant, then the rights of Subtenant under this Paragraph 3.C shall terminate in their entirety and shall no longer be in effect, and Sublandlord shall thereafter be free to sublease the Offer Space (or any other portion of the Master Premises, including without limitation any vivarium space) to any third party upon any terms and conditions in Sublandlord's sole discretion. The rights of Subtenant contained herein shall be subject and subordinate to any rights of renewal, extension or expansion under any other subleases in the Master Premises.

#### 4. **Rent:**

A. **Base Rent.** Commencing on the Commencement Date and continuing each month throughout the Term (and any Extension Term) of this Sublease, Subtenant shall pay to Sublandlord as base rent ("Base Rent") for the Subleased Premises Sixty-Five Thousand Dollars (\$65,000.00) per month. Base Rent shall increase by five percent (5%) on each annual anniversary of the Commencement Date. Base Rent shall be paid in advance on or before the first (1st) day of each month. Base Rent for any period during the Term hereof which is for less than one (1) month of the Term shall be a pro rata portion of the monthly installment based on a thirty (30) day month. Base Rent and Additional Rent (if any), as defined in Paragraph 4.B below (collectively, "Rent") shall be payable without notice or demand and without any deduction, offset, or abatement, in lawful money of the United States of America. Rent shall be paid directly to Sublandlord at 800 Chesapeake Drive, Redwood City, CA 94063, Attention: Accounting, or such other address as may be designated in writing by Sublandlord.

B. **Additional Rent.** All monies other than Base Rent required to be paid by Subtenant under this Sublease shall be deemed additional rent ("Additional Rent"). Along with any invoice for Additional Rent due, Sublandlord will provide supporting documentation detailing the Additional Rent charges. Base Rent shall include the cost to perform Sublandlord's maintenance obligations under Paragraph 8, electricity, water and heating, hazardous waste management (to the extent set forth in the Animal Care Agreement, as defined below), and ventilation and air conditioning ("HVAC") (collectively, "Included Services"). Subtenant shall pay for all environmental health and safety services, hazardous waste management (except as set forth in the Animal Care Agreement, defined below), internet, phone and information technology services and support, administrative support, and other similar items and services with respect to the Subleased Premises (if applicable).

C. **Animal Care Agreement.** Subtenant shall pay all charges and amounts due and payable under the Animal Care Agreement attached hereto as Exhibit C (the "Animal Care Agreement").

D. **Prepayment of Rent.** Upon execution hereof by Subtenant, Subtenant shall pay to Sublandlord the sum of Sixty-Five Thousand Dollars (\$65,000.00), which shall constitute Base Rent for the first (1st) month of the Term (with any remainder to be applied towards the second month of the Term).

**5. Security Deposit:**

A. Within five (5) business days after execution of this Sublease, Subtenant shall deposit with Sublandlord Sixty-Five Thousand Dollars (\$65,000.00) in cash as security for the performance by Subtenant of its obligations under this Sublease, and not as a prepayment of rent (collectively, the "Security Deposit"). If Subtenant defaults under this Sublease, Sublandlord may apply all or any part of the Security Deposit for the payment of any rent or other sum in default, the repair of any damage to the Subleased Premises caused by Subtenant or the payment of any other amount which Sublandlord may spend or become obligated to spend by reason of Subtenant's default or to compensate Sublandlord for any other loss or damage which Sublandlord may suffer by reason of Subtenant's default to the full extent permitted by law. Subtenant hereby waives any restriction on the use or application of the Security Deposit by Sublandlord as set forth in California Civil Code Section 1950.7. To the extent any portion of the Security Deposit is used, Subtenant shall within five (5) days after demand from Sublandlord restore the Security Deposit to its full amount. Sublandlord may keep the Security Deposit in its general funds and shall not be required to pay interest to Subtenant on the deposit amount. If Subtenant shall perform all of its obligations under this Sublease and return the Subleased Premises to Sublandlord at the end of the Term (as the same may be extended), Sublandlord shall return all of the remaining Security Deposit to Subtenant within thirty (30) days after the end of the Term (as the same may be extended). The Security Deposit shall not serve as an advance payment of rent or a measure of Sublandlord's damages for any default under this Sublease. Subtenant covenants and agrees that it shall not assign or encumber or attempt to assign or encumber the Security Deposit and neither Sublandlord nor its successors or assigns shall be bound by any such agreement, encumbrance, attempted assignment or attempted encumbrance.

**6. Holdover:** Subtenant acknowledges that it is critical that Subtenant surrender the Subleased Premises on or before the expiration or earlier termination of the Sublease in accordance with the terms of this Sublease. Accordingly, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against all losses, costs, claims, liabilities and damages resulting from Subtenant's failure to surrender the Subleased Premises on or before the expiration or earlier termination of the Sublease in the condition required under the terms of this Sublease (including, without limitation, any liability or damages sustained by Sublandlord as a result of a holdover of the Master Premises by Sublandlord occasioned by the holdover of the Subleased Premises by Subtenant). In addition, Subtenant shall pay Sublandlord holdover rent equal to one hundred fifty percent (150%) of Base Rent plus any Additional Rent payable hereunder for any period from the Expiration Date through the date Subtenant surrenders the Subleased Premises in the condition required hereunder. The provisions of this Paragraph 6 shall survive the expiration or earlier termination of this Sublease.

**7. "AS IS" Condition:** The parties acknowledge and agree that Subtenant is subleasing the Subleased Premises on an "AS IS" basis (except that Sublandlord shall deliver the same in vacant, broom clean condition and, to the extent such compliance is Sublandlord's obligation under the Master Lease, in compliance with applicable laws as currently interpreted and enforced), and that Sublandlord has made no representations or warranties, express or implied, whatsoever, with respect to the Subleased Premises, including, without limitation, any representation or warranty as to the suitability of the Subleased Premises for Subtenant's intended use or any representation or warranty made by Master Landlord under the Master Lease. Sublandlord shall have no obligation whatsoever to make or pay the cost of any alterations, improvements or repairs to the Subleased Premises, including, without limitation, any improvement or repair required to comply with any law, regulation, building code or ordinance (including the Americans with Disabilities Act of 1990, as may be amended). Subtenant expressly waives all rights under law to make repairs at the expense of Sublandlord. Subtenant hereby expressly waives the provisions of subsection 1 of Section 1932 and Sections 1941 and 1942 of the Civil Code of California and all rights to make repairs at the expense of Sublandlord as provided in Section 1942 of said Civil Code.

**8. Repair and Maintenance.** Subtenant shall repair and maintain the Subleased Premises in good and sanitary order, condition and repair as set forth in Section 8.2(a) of the Master Lease incorporated herein. Notwithstanding the foregoing, Sublandlord shall continue to repair and maintain the Building electrical, plumbing and HVAC systems required to be maintained by "Tenant" pursuant to Section 8.2(a) of the Master Lease. In the event Sublandlord's cost to maintain and repair such Building systems increases as a result of Subtenant's use of the Subleased Premises, Subtenant shall pay to Sublandlord such increase in cost. In addition, Subtenant shall pay the entire cost of any repair, maintenance or replacement required as a result of the misuse or excess use of such systems, or the negligence, willful misconduct or violation of this Sublease, by Subtenant or its agents, employees, contractors or invitees.

**9. Master Landlord Obligations.** Sublandlord shall have no obligation to perform any repairs or any other obligation of Master Landlord required to be performed by Master Landlord under the terms of the Master Lease (including, without limitation, Master Landlord's obligations under Sections 6, 8, 9, 10, 13, 15, and 17.20 of the Master Lease and Master Landlord's obligation to comply with laws and carry building insurance). Sublandlord shall, however, request performance of the same in writing from Master Landlord promptly after being requested to do so by Subtenant, and shall use Sublandlord's reasonable efforts (not including the payment of monies, the incurring of any liabilities, or the institution of legal proceedings) to obtain Master Landlord's performance.

**10. Right to Cure Defaults:** If Subtenant fails to pay any sum of money to Sublandlord, or fails to perform any other act on its part to be performed hereunder, then Sublandlord may, but shall not be obligated to, make such payment or perform such act. All such sums paid, and all reasonable costs and expenses of performing any such act, shall be deemed Additional Rent payable by Subtenant to Sublandlord upon demand, together with interest thereon at the lesser of (i) ten percent (10%) per annum or (ii) the maximum rate allowable under law (the "Interest Rate") from the date of the expenditure until repaid.

**11. Assignment and Subletting:** Notwithstanding anything to the contrary in the Sublease or the terms of the Master Lease incorporated herein, Subtenant may not assign any interest in this Sublease (by operation of law or otherwise), sublet any of the Subleased Premises, transfer any interest of Subtenant therein or permit any use of the Subleased Premises by another party (collectively, "Transfer"). Any Transfer by Subtenant shall be void and, at the option of Sublandlord, shall be a material default under this Sublease. Notwithstanding the foregoing, Subtenant may enter into a "Permitted Transfer" of Subtenant as described in Section 11.1 of the Master Lease, as incorporated herein, so long as Master Landlord's consent is received (to the extent Master Landlord's consent is required under the Master Lease) and the conditions therein are satisfied; provided, however, in the event of any such Permitted

Transfer of Subtenant (other than a venture equity financing, initial public offering, or other issuance of capital stock for bona fide financing purposes), Sublandlord shall have the right to terminate this Sublease upon written notice to Subtenant, in which event this Sublease shall terminate thirty (30) days after such notice of termination.

**12. Use:**

A. Subject to the terms of the Master Lease, Subtenant may use the Subleased Premises for research and development and/or laboratory purposes, and for administrative and other lawful purposes reasonably related to or incidental to such specified uses (subject in each case to receipt of all necessary approvals from the City of Redwood City and all other governmental agencies having jurisdiction over the Subleased Premises), and for no other purpose whatsoever.

B. Subtenant shall not use, store, transport or dispose of any Hazardous Substances (as defined in the Master Lease) in or about the Subleased Premises or the Master Premises, except that Subtenant may keep, store and use in the Subleased Premises those Hazardous Substances, and their respective quantities, specifically listed on the Environmental Questionnaire attached to this Sublease as Exhibit D to the extent permitted pursuant to the terms and conditions of Section 9.6 of the Master Lease incorporated herein. Subtenant shall at all times comply with Sublandlord's environmental, health and safety ("EH&S") standards, rules and regulations, and Sublandlord shall have the right at any time to audit Subtenant's compliance with the same.

C. Subtenant shall have access to the Subleased Premises twenty-four (24) hours per day, seven (7) days per week, subject to access procedures reasonably required by Sublandlord and/or Master Landlord, the Building rules and regulations and other limitations set forth in this Sublease or the Master Lease.

D. Subtenant shall comply with all reasonable rules and regulations promulgated from time to time by Master Landlord or Sublandlord. Without limiting the generality of the foregoing, Subtenant shall comply with Sublandlord's emergency policies and procedures.

**13. Effect of Conveyance:** As used in this Sublease, the term "Sublandlord" means the holder of the Tenant's interest under the Master Lease. In the event of any assignment or transfer of the Tenant's interest under the Master Lease, which assignment or transfer may occur at any time during the Term hereof in Sublandlord's sole discretion, Sublandlord shall be and hereby is entirely relieved of all covenants and obligations of Sublandlord hereunder, and it shall be deemed and construed, without further agreement between the parties hereto, that any transferee has assumed and shall carry out all covenants and obligations thereafter to be performed by Sublandlord hereunder. Sublandlord shall transfer and deliver any security of Subtenant to the transferee of the Tenant's interest under the Master Lease, and thereupon Sublandlord shall be discharged from any further liability with respect thereto.

**14. Delivery and Acceptance:** This Sublease shall not be void or voidable, nor shall Sublandlord be liable to Subtenant for any loss or damage, by reason of delays in the Commencement Date or delays in Sublandlord delivering the Subleased Premises to Subtenant for any reason whatsoever; provided, however, that Base Rent shall abate with respect to the applicable portion of the Subleased Premises until Sublandlord delivers possession of the such portion of the Subleased Premises to Subtenant.

**15. Improvements:** Subtenant shall not make any alterations or improvements to the Subleased Premises (i) without the prior written consent of both Master Landlord and Sublandlord and (ii) except in accordance with the Master Lease. Sublandlord's consent may be withheld by Sublandlord in its

sole and absolute discretion. Notwithstanding anything to the contrary, by written notice delivered not later than sixty (60) days prior to the Expiration Date (or, during the Extension Term, by written notice delivered on or around the same date as Sublandlord's delivery or receipt of a notice of termination), Sublandlord may require Subtenant, at Subtenant's expense, to remove any alterations or improvements constructed by or for Subtenant and restore the affected areas to their condition prior to such alteration or improvement.

**16. Release and Waiver of Subrogation:** Notwithstanding anything to the contrary in this Sublease, the parties hereto release each other and their respective agents, employees, successors and assigns from all liability for damage to any property that is actually covered by property insurance in force or which would normally be covered by full replacement value "Special Form" property insurance, without regard to the negligence or willful misconduct of the entity so released. Each party shall cause each insurance policy it obtains to include a waiver of subrogation regarding the liabilities released hereby. Sublandlord shall not be liable to Subtenant, nor shall Subtenant be entitled to terminate this Sublease or to abate Base Rent for any (i) failure or interruption of any utility system or service or (ii) failure of Master Landlord to maintain the Subleased Premises or the Building as may be required under the Master Lease. Notwithstanding anything to the contrary in the Sublease or in the Animal Care Agreement, in no event shall Sublandlord be liable to Subtenant for any lost profit, damage to or loss of business or any form of special, indirect or consequential damages.

**17. Insurance:** Subtenant shall obtain and keep in full force and effect, at Subtenant's sole cost and expense, during the Term (including any Extension Term) the insurance required to be carried by the "Tenant" under the Master Lease and business interruption insurance covering at least one (1) year of Base Rent. Subtenant shall include Sublandlord and Master Landlord as an additional insured in any policy of insurance carried by Subtenant in connection with this Sublease (other than business interruption insurance) and shall provide Sublandlord with certificates of insurance upon Sublandlord's request.

**18. Default:** Subtenant shall be in material default of its obligations under this Sublease if any of the following events occur:

A. Subtenant fails to pay any Rent within three (3) business days after written notice of nonpayment; or

B. Subtenant fails to perform any term, covenant or condition of this Sublease (except those requiring payment of Rent) or the Animal Care Agreement and fails to cure such breach within twenty (20) days after delivery of a written notice specifying the nature of the breach; or

C. the bankruptcy or insolvency of Subtenant, transfer by Subtenant in fraud of creditors, an assignment by Subtenant for the benefit of creditors, or the commencement of any proceedings of any kind by or against Subtenant under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act unless, in the event any such proceedings are involuntary, Subtenant is discharged from the same within thirty (30) days thereafter;

D. the appointment of a receiver for a substantial part of the assets of Subtenant, which receiver is not discharged within thirty (30) days;

E. the levy upon this Sublease or any estate of Subtenant hereunder by any attachment or execution and the failure within thirty (30) days thereafter to have such attachment or execution vacated or such other action taken with respect thereto so as to put Sublandlord at no risk of having an unconsented transfer of this Sublease;

F. Subtenant abandons the Subleased Premises; or

G. Subtenant commits any other act or omission which could constitute a default under the Master Lease.

**19. Remedies:** In the event of any default by Subtenant, Sublandlord shall have all remedies provided to the “Landlord” under Section 14.2 of the Master Lease as if an “event of default” had occurred thereunder and all other rights and remedies otherwise available at law and in equity. Sublandlord may resort to its remedies cumulatively or in the alternative.

**20. Surrender:**

A. On or before the Expiration Date or any sooner termination of this Sublease, Subtenant shall remove all of its trade fixtures, personal property and all alterations constructed by Subtenant in the Subleased Premises which are required to be removed under the terms of this Sublease or the Master Lease and shall surrender the Subleased Premises to Sublandlord in good condition, order and repair (reasonable wear and tear and damage by casualty or condemnation excepted), and fully decommissioned and free of any Hazardous Substances used, stored, released, emitted or disposed of by Subtenant or its agents, employees, contractors or invitees. Subtenant shall repair any damage to the Subleased Premises caused by Subtenant’s removal of its personal property, furnishings and equipment. If the Subleased Premises are not so surrendered, then Subtenant shall be liable to Sublandlord for all costs incurred by Sublandlord in returning the Subleased Premises to the required condition, plus interest thereon at the Interest Rate.

B. In connection with its surrender of the Subleased Premises, Subtenant shall submit to Sublandlord, at least fifteen (15) days prior to the expiration date of this Sublease (or in the event of an earlier termination of this Sublease, as soon as reasonably possible following such termination), an environmental assessment of the Subleased Premises by a competent and experienced environmental engineer or engineering firm reasonably satisfactory to Sublandlord (pursuant to a contract approved by Sublandlord and providing that Sublandlord can rely on the environmental assessment). If such environmental assessment reveals that removal, remediation or other clean-up is required under any applicable laws, rules, regulations, orders, permits or licenses, Subtenant shall submit a remediation plan prepared by a recognized environmental consultant and shall be responsible for all costs of such removal, remediation and clean-up.

**21. Broker:** Sublandlord and Subtenant each represent to the other that they have dealt with no real estate brokers, finders, agents or salesmen in connection with this transaction other than CBRE representing Sublandlord (“Sublandlord Broker”). Sublandlord and Subtenant each agrees to indemnify and hold the other harmless from and against all claims for brokerage commissions, finder’s fees or other compensation made by any other agent, broker, salesman or finder as a consequence of the indemnifying party’s actions or dealings with such other agent, broker, salesman, or finder.

**22. Notices:** Unless at least five (5) days’ prior written notice is given in the manner set forth in this paragraph, the address of each party for all purposes connected with this Sublease shall be that address set forth below their signatures at the end of this Sublease. All notices, demands and communications in connection with this Sublease shall be properly addressed and delivered as follows: (a) personally delivered; or (b) submitted to an overnight courier service, charges prepaid; or (c) deposited in the mail (certified, return-receipt requested, and postage prepaid). Notices shall be deemed delivered upon receipt, if personally delivered, one (1) business day after being so submitted to an overnight courier service and two (2) business days after deposit in the United States mail, if mailed as set forth above. All notices given to Master Landlord under the Master Lease shall be considered received only when delivered in accordance with the Master Lease.

### **23. Other Sublease Terms:**

A. **Incorporation By Reference.** Except as set forth below and except as otherwise provided in this Sublease, the terms and conditions of this Sublease shall include all of the terms of the Master Lease and such terms are incorporated into this Sublease as if fully set forth herein, except that: (i) each reference in such incorporated sections to "Lease" shall be deemed a reference to this "Sublease"; (ii) each reference to the "Premises" shall be deemed a reference to the "Subleased Premises"; (iii) each reference to "Landlord" shall be deemed a reference to "Sublandlord" and each reference to "Tenant" shall be deemed a reference to "Subtenant", except as otherwise expressly set forth herein; (iv) each reference to "Rent Commencement Date" shall be deemed a reference to the "Commencement Date"; (v) with respect to work, services, utilities, electricity, repairs (or damage caused by Master Landlord), restoration, insurance, indemnities, reimbursements, representations, warranties or the performance of any other obligation of "Landlord" under the Master Lease, whether or not incorporated herein, the sole obligation of Sublandlord shall be to request the same in writing from Master Landlord as and when requested to do so by Subtenant, and to use Sublandlord's reasonable efforts (not including the payment of money, the incurring of any liabilities, or the institution of legal proceedings) to obtain Master Landlord's performance; (vi) with respect to any obligation of Subtenant to be performed under this Sublease, wherever the Master Lease grants to "Tenant" a specified number of days to perform its obligations under the Master Lease (including, without limitation, curing any defaults), except as otherwise provided herein, Subtenant shall have three (3) fewer days to perform the obligation or one-half the time period permitted under the Master Lease, which ever allows Subtenant the greater amount of time; (vii) with respect to any approval required to be obtained from the "Landlord" under the Master Lease, such approval must be obtained from both Master Landlord and Sublandlord, and Sublandlord's withholding of approval shall in all events be deemed reasonable if for any reason Master Landlord's approval is not obtained; (viii) in any case where the "Landlord" reserves or is granted the right to manage, supervise, control, repair, alter, regulate the use of, enter or use the Premises or any areas beneath, above or adjacent thereto, such reservation or grant of right of entry shall be deemed to be for the benefit of both Master Landlord and Sublandlord; (ix) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord", such indemnity, release or waiver shall be deemed to run from Subtenant to both Master Landlord and Sublandlord; (x) in any case where "Tenant" is to execute and deliver certain documents or notices to "Landlord", such obligation shall be deemed to run from Subtenant to both Master Landlord and Sublandlord; and (xi) the following modifications shall be made to the Master Lease as incorporated herein:

(a) the following provisions of the Master Lease are not incorporated herein: Sections 1.1(a)(except last sentence), 2, 3.1, 4.2, 5, 6.1, 7.1(first sentence), 7.2(a)(except clause (i)), 7.2(b), 7.3, 7.5, 8.1(b), 9.6(b)(xi) 9.6(c), 10.6(b), 11.1 (first three (3) sentences), 11.2, 14.1, 15.2, 16, 17.1, 17.15, 17.16, 17.21, Exhibit B, Exhibit C, Exhibit D, First Amendment to Lease, Acknowledgment of Rent Commencement Date, Second Amendment to Lease, and Third Amendment to Lease; and

(b) any right to abate rent provided to Subtenant through incorporation of the provisions of the Master Lease shall not exceed the rent actually abated under the Master Lease with respect to the Subleased Premises.

B. **Assumption of Obligations.** This Sublease is and at all times shall be subject and subordinate to the Master Lease and the rights of Master Landlord thereunder. Subtenant hereby expressly assumes and agrees: (i) to comply with all provisions of the Master Lease which are incorporated hereunder; and (ii) to perform all the obligations on the part of the "Tenant" to be performed

under the terms of the Master Lease which are incorporated hereunder with respect to the Subleased Premises during the term of this Sublease except as set forth in Paragraph 8 above. In the event the Master Lease is terminated for any reason whatsoever, this Sublease shall terminate simultaneously with such termination without any liability of Sublandlord to Subtenant. In the event of a conflict between the provisions of this Sublease and the Master Lease, as between Sublandlord and Subtenant, the provisions of this Sublease shall control.

**24. Right to Contest:** If Sublandlord does not have the right to contest any matter in the Master Lease due to expiration of any time limit that may be set forth therein or for any other reason, then notwithstanding any incorporation of any such provision from the Master Lease in this Sublease, Subtenant shall also not have the right to contest any such matter.

**25. Signage:** Subtenant shall not have any signage rights under this Sublease.

**26. Review Costs:** Subtenant shall reimburse Master Landlord promptly for any and all reasonable costs and expenses, including without limitation reasonable attorneys' fees, incurred by Master Landlord in connection with any consent requested from the Master Landlord in connection with the Sublease, including without limitation, Master Landlord consent to this Sublease.

**27. Inspection by a CASp in Accordance with Civil Code Section 1938:** To Sublandlord's actual knowledge, the property being leased or rented pursuant to this Sublease has not undergone inspection by a Certified Access Specialist (CASp). In addition, the following notice is hereby provided pursuant to Section 1938(e) of the California Civil Code: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Sublandlord and Subtenant agree that if Subtenant requests a CASp inspection of the Subleased Premises, then Subtenant shall pay (a) the fee for such inspection, and (b) the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Subleased Premises or the Master Premises.

**28. Conditions Precedent:** Notwithstanding anything to the contrary in this Sublease or the Animal Care Agreement, this Sublease and the Animal Care Agreement and Sublandlord's obligations hereunder and thereunder are conditioned upon Sublandlord's receipt of the written consent of Master Landlord to this Sublease. Unless waived in writing by Sublandlord, such consent shall provide that Master Landlord waives its rights under Sections 11.2(b)-(c) of the Master Lease with respect to the Rent payable under this Sublease or other charges under the Animal Care Agreement. If Sublandlord does not receive such consent within thirty (30) days after execution of this Sublease by Sublandlord, then either party may terminate this Sublease by giving the other party written notice of termination prior to receiving Master Landlord's consent to this Sublease, and upon such termination, Sublandlord shall return to Subtenant all prepaid rent and the Security Deposit. This Sublease is further conditioned upon Sublandlord and Subtenant entering into the Animal Care Agreement.

**29. Termination; Recapture:** Notwithstanding anything to the contrary herein, Subtenant acknowledges that, under the Master Lease, both Master Landlord and Sublandlord have certain termination and recapture rights, including, without limitation, in Sections 11 and 13 of the Master Lease. Nothing herein shall prohibit Master Landlord or Sublandlord from exercising any such rights and neither Master Landlord nor Sublandlord shall have any liability to Subtenant as a result thereof. In the event Master Landlord or Sublandlord exercise any such termination or recapture rights, this Sublease shall terminate without any liability to Master Landlord or Sublandlord.

**30. No Recording:** Subtenant agrees that it will not record this Sublease, or a short memorandum hereof.

**31. No Drafting Presumption:** The parties acknowledge that this Sublease has been agreed to by both the parties, that both Sublandlord and Subtenant have consulted with attorneys with respect to the terms of this Sublease and that no presumption shall be created against Sublandlord because Sublandlord drafted this Sublease.

**32. Entire Agreement; Amendment:** This Sublease constitutes the entire agreement between the parties with respect to the subject matter herein, and there are no binding agreements or representations between the parties except as expressed herein. No subsequent amendment, change or addition to this Sublease shall be binding unless in writing and signed by all parties hereto.

**33. Counterparts:** This Sublease may be executed in one (1) or more counterparts each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. Signature copies may be detached from the counterparts and attached to a single copy of this Sublease physically to form one (1) document.

**[Remainder of page left intentionally blank]**

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

**SUBLANDLORD:**

ONCOMED PHARMACEUTICALS, INC.,  
a Delaware corporation

By: /s/John A. Lewicki

Print Name: John A. Lewicki, PhD

Title: President & CEO

Address:

800 Chesapeake Drive  
Redwood City, CA 94063  
Attn: Legal

**SUBTENANT:**

REVOLUTION MEDICINES, INC.,  
a Delaware corporation

By: /s/ Mark A. Goldsmith

Print Name: Mark A. Goldsmith

Title: Chief Executive Officer

Address:

700 Saginaw Drive  
Redwood City, CA 94063  
Attn: \_\_\_\_\_

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**EXHIBIT A**

**MASTER LEASE**

(attached)

LEASE

Landlord: Slough Redwood City, LLC  
Tenant: OncoMed Pharmaceuticals, Inc.  
Date: May 30, 2006

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#### EXHIBITS

EXHIBIT A-1	Site Plan (The Center)
EXHIBIT A-2	Building Plan/Service Annex
EXHIBIT B	Workletter
EXHIBIT C	Form of Acknowledgment of Rent Commencement Date
EXHIBIT D	Form of Warrant

## LEASE

THIS LEASE ("**Lease**") is made and entered into as of May 30, 2006 (the "**Lease Commencement Date**"), by and between SLOUGH REDWOOD CITY, LLC, a Delaware limited liability company ("**Landlord**"), and ONCOMED PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**").

THE PARTIES AGREE AS FOLLOWS:

### 1. PROPERTY

#### 1.1 Lease of Premises.

(a) Landlord leases to Tenant and Tenant hires and leases from Landlord, on the terms, covenants and conditions hereinafter set forth, the premises (the "**Premises**") of approximately 45,678 square feet of space (subject, to the measurement provisions in Section 3.1(e) below) consisting of (i) the building commonly known as 800 Chesapeake Drive (the "**Building**") located in the Britannia Seaport Centre (referred to interchangeably herein as the "**Center**" or the "**Property**") in the City of Redwood City, County of San Mateo, State of California; and (ii) those portions of the Service Annex (as defined in Section 2.3 below) designated as being either for the exclusive use of the occupant of the Building, or for shared, nonexclusive use by the occupant of the Building and the occupant of the Adjacent Building (as defined in Section 2.3 below), including (but not limited to) the Chemical Storage Area and Emergency Generator Area (as described in Section 2.3 below) immediately adjacent to the Building, which Chemical Storage Area and Emergency Generator Area, respectively, are for the exclusive use of the occupant of the Building but are not fully enclosed and therefore are not included in the square footage calculation for the Premises. The location of the Building within the Center is depicted on the site plan attached hereto as **Exhibit A-1** and incorporated herein by this reference (the "**Site Plan**"); the footprint of the Building is depicted on the drawing attached hereto as **Exhibit A-2** and incorporated herein by this reference (the "**Building Plan**"). The parking areas, driveways, sidewalks, landscaped areas and other portions of the Center that lie outside the exterior walls of the buildings now or hereafter existing from time to time in the Center, as depicted in the Site Plan and as hereafter modified by Landlord from time to time in accordance with the provisions of this Lease, are sometimes referred to herein as the "**Common Areas.**"

(b) As an appurtenance to Tenant's leasing of the Premises pursuant to Section 1.1(a). Landlord hereby grants to Tenant, for the benefit of Tenant and its employees, suppliers, shippers, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, (i) those portions of the Common Areas improved from time to time for use as parking areas, driveways, sidewalks, landscaped areas, or for other common purposes, and (ii) all access easements and similar rights and privileges relating to or appurtenant to the Center and created or existing from time to time under any access easement agreements, declarations of covenants, conditions and restrictions, or other written agreements now or hereafter of record with respect to the Center, subject however to any limitations applicable to such rights and privileges under applicable law, under this Lease and/or under the written agreements creating such rights and privileges.

1.2 Landlord's Reserved Rights. To the extent reasonably necessary to permit Landlord to exercise any rights of Landlord and discharge any obligations of Landlord under this Lease, Landlord shall have, in addition to the right of entry set forth in Section 12.1 hereof, the following rights: (i) to make changes to the Common Areas, including, without limitation, changes in the location, size or shape of any portion of the Common Areas, and to construct and/or relocate parking structures and/or parking spaces in the Center; (ii) to close temporarily any of the Common Areas for maintenance or other

reasonable purposes; (iii) to construct, alter or add to other buildings and Common Area improvements in the Center; (iv) to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Center or any portion thereof; and (v) to do and perform such other acts with respect to the Common Areas and the Center as may be necessary or appropriate. Landlord shall not exercise rights reserved to it pursuant to this Section 1.2 in such a manner as to cause any material diminution of Tenant's rights, or any material increase of Tenant's obligations, under this Lease, or in such a manner as to leave Tenant without reasonable parking or reasonable access to the Premises or otherwise to materially impair Tenant's ability to conduct its activities in the normal manner; provided, however, that the foregoing shall not limit or restrict Landlord's right to undertake reasonable construction activity and Tenant's use of the Premises shall be subject to reasonable temporary disruption incidental to such activity diligently prosecuted.

## 2. TERM

### 2.1 Term.

(a) The term of this Lease shall commence on the Lease Commencement Date as defined above. Subject to any applicable adjustments pursuant to Paragraph 3(d) of the Workletter attached hereto as **Exhibit B** and incorporated herein by this reference (the "**Workletter**"), Tenant's obligation to pay minimum rental and Operating Expenses under this Lease shall commence on the date (the "**Rent Commencement Date**") that is the earlier to occur of (i) the date on which Tenant commences actual business operations in at least a material portion of the Premises or (ii) the first date by which all of the following conditions are satisfied: (A) Landlord has delivered to Tenant both a TI Substantial Completion Certificate with respect to Landlord's TI Work (as those terms are defined in the Workletter) and a Section 2.3 Substantial Completion Certificate with respect to Landlord's Section 2.3 Work (as those terms are defined below); (B) Landlord has delivered possession of the Premises to Tenant with Landlord's Work substantially completed, for which purpose "substantially completed" shall mean completed subject only to the performance of Punch List Work (as defined in the Workletter); and (C) Landlord has obtained from the appropriate governmental authorities all approvals and permits required for the legal occupancy and use of the Premises; provided that (I) for purposes of the foregoing clause (C), Landlord shall not be responsible for (and the occurrence of the Rent Commencement Date shall not be delayed by any delay in the receipt of) any such approvals or permits that are required by reason of improvements (if any) installed by Tenant pursuant to Article 7 hereof or the Workletter, or by reason of the particular nature of Tenant's business operations to be conducted in the Premises (as distinguished from approvals or permits required for the general use and occupancy of the Premises and of the improvements constructed therein by Landlord); and (II) for purposes of the foregoing clauses (A), (B) and (C), (x) the issuability of the TI Substantial Completion Certificate and the Section 2.3 Substantial Completion Certificate shall be determined without reference to completion of any elements of Landlord's Work that relate to the construction of the tare facility and related systems and improvements (the "**Larc**") to be constructed as part of Landlord's TI Work under the Workletter (collectively, "**Landlord's Larc Work**"); (y) the substantial completion of Landlord's Work (subject only to Punch List Work) shall be determined without reference to completion of any elements of Landlord's Larc Work; and (z) the concept of receipt of all governmental approvals and permits shall not be construed to include operational readiness of, or receipt of governmental approvals and permits for the operation of, the Larc, since the parties recognize that the time frame for permitting, construction and commissioning of the Larc may be materially longer than the time frame for the rest of Landlord's TI Work. As used in this Lease, the term "**Landlord's Work**" shall mean, collectively, Landlord's Section 2.3 Work (as defined below) and Landlord's TI Work (as defined in the Workletter). Subject to development and/or modification of construction schedules for Landlord's Work as contemplated in the Workletter, the parties presently contemplate that the Rent Commencement Date will occur on or about February 7, 2007.

(b) If the Rent Commencement Date has not occurred for any reason whatsoever on or before August 7, 2007, then, in addition to any other rights or remedies available to Tenant under this Lease or under applicable law, Tenant shall have the right to terminate this Lease by written notice to Landlord at any time prior to the satisfaction of all conditions for the occurrence of the Rent Commencement Date; provided, however, that the foregoing deadline of August 7, 2007 shall be extended, day for day, by a period equal to the length of any actual delay in the completion of Landlord's Work that is caused by Tenant Delay or Unavoidable Delay (as such terms are defined in the Workletter). Notwithstanding the foregoing proviso, however, to the extent there are any periods of such actual delay that are attributable solely to Unavoidable Delay and not to Tenant Delay, the maximum amount of such actual delay attributable solely to Unavoidable Delay that may be taken into account for purposes of extending such deadline of August 7, 2007 shall be sixty (60) days in the aggregate. Upon any valid exercise of Tenant's termination right under this paragraph (b), (i) if the periods of actual delay that gave rise to Tenant's termination right consisted primarily of periods attributable solely to Landlord Delay and not to any concurrent Tenant Delay or Unavoidable Delay, then Landlord shall refund to Tenant, within ten (10) business days after Tenant's exercise of its termination right, any monies previously paid by Tenant to Landlord pursuant to this Lease and the Workletter (including, without limitation, any such amounts paid by Tenant to Landlord for Tenant's pro rata share, if any, of the cost of Landlord's TI Work), and (ii) if the periods of actual delay that gave rise to Tenant's termination right consisted primarily of periods attributable solely to Tenant Delay and/or Unavoidable Delay and not to any concurrent Landlord Delay, then Tenant shall not be entitled to any such refund and Landlord shall instead be entitled to retain any such monies previously paid by Tenant pursuant to this Lease and the Workletter.

(c) If Landlord has not completed construction of Landlord's Larc Work (subject only to performance of Punch List Work) and delivered a Larc Substantial Completion Certificate (as defined in the Workletter) to Tenant within ninety (90) days after the Rent Commencement Date, then, in addition to any other rights or remedies available to Tenant under this Lease or under applicable law, beginning on the ninety-first (91<sup>st</sup>) day after the Rent Commencement Date and continuing until completion of construction of Landlord's Larc Work (subject only to performance of Punch List Work) and delivery of such Larc Substantial Completion Certificate, the square footage on which Tenant's minimum rental obligation under Section 3.1(a) and Tenant's Operating Cost Share under Article 5 are calculated shall be reduced by an amount equal to the square footage of the Larc, measured in a manner consistent with the manner in which other measurements of square footage or made under this Lease, and Tenant's payment obligations with respect to minimum rental and Operating Expenses shall be reduced proportionately. If Landlord has not completed construction of Landlord's Larc Work (subject only to performance of Punch List Work) and delivered a Larc Substantial Completion Certificate to Tenant within nine (9) months after the Rent Commencement Date, then, in addition to any other rights or remedies available to Tenant under this Lease or under applicable law, Tenant shall have the right to terminate this Lease by written notice to Landlord at any time prior to the completion of construction of Landlord's Larc Work (subject only to performance of Punch List Work) and delivery of such Larc Substantial Completion Certificate; provided, however, that each of the foregoing deadlines shall be extended, day for day, by a period equal to the length of any actual delay in the completion of Landlord's Larc Work that is caused by Tenant Delay (as defined in the Workletter). Upon any valid exercise of Tenant's termination right under this paragraph (c), (i) if the periods of actual delay that gave rise to Tenant's termination right consisted primarily of periods attributable solely to Landlord Delay and not to any concurrent Tenant Delay or Unavoidable Delay, then Landlord shall refund to Tenant, within ten (10) business days after Tenant's exercise of its termination right, any monies previously paid by Tenant to Landlord pursuant to this Lease and the Workletter (including, without limitation, any such amounts paid by Tenant to Landlord for Tenant's pro rata share, if any, of the cost of Landlord's TI Work), and (ii) if the periods of actual delay that gave rise to Tenant's termination right consisted primarily of periods attributable solely to Tenant Delay and/or Unavoidable Delay and not to any concurrent Landlord Delay, then Tenant shall not be entitled to any such refund and Landlord shall instead be entitled to retain any such monies previously paid by Tenant pursuant to this Lease and the Workletter.

(d) The term of this Lease shall end on the seventh (7<sup>th</sup>) anniversary of the Rent Commencement Date (the “**Termination Date**”) estimated to be February 7, 2014 (if the Rent Commencement Date occurs on the target date indicated in Section 2.1(a) above), unless sooner terminated or extended as hereinafter provided.

2.2 **Early Possession.** Tenant shall have the nonexclusive right to enter and use the Premises for the purpose of constructing improvements in the Premises (subject to all the terms and conditions of Article 7 below and of the Workletter as defined below), installing fixtures and furniture, laboratory equipment, computer equipment, telephone equipment, low-voltage data wiring and personal property and performing other similar work preparatory to the commencement of Tenant’s business in the Premises, beginning on the Lease Commencement Date (which date is also sometimes interchangeably referred to herein, for purposes of such early access, as the “**Early Access Date**”). Such occupancy and possession shall be subject to and upon all of the terms and conditions of this Lease (including, but not limited to, conditions relating to maintenance of required insurance by Tenant), except that (i) Tenant shall have no obligation to pay minimum rental or Operating Expenses for any period prior to the Rent Commencement Date, (ii) subject to any applicable provisions to the contrary in Section 6.1 hereof and/or in the Workletter, Tenant shall have no obligation to pay the cost of utilities supplied to the Premises for any period prior to the Rent Commencement Date, and (iii) such early possession shall not advance or otherwise affect the Rent Commencement Date or Termination Date determined under Section 2.1. To the extent Landlord and/or its contractors or consultants are also performing work in the Premises prior to the Rent Commencement Date, Tenant shall not unreasonably interfere with or delay Landlord’s contractors or consultants by any early access, occupancy or possession under this Section 2.2, shall coordinate and cooperate with Landlord and its contractors and consultants (who shall similarly coordinate and cooperate with Tenant and its contractors) to minimize any interference or delay by either party with respect to the other party’s work following the Early Access Date, and shall indemnify Landlord and its agents and employees to the extent provided in Section 10.6(a) below and in Paragraph 5(c) of the Workletter in connection with Tenant’s early entry upon the Premises hereunder.

2.3 **Condition of Premises.** Tenant has had an opportunity to inspect the condition of the Premises and agrees to accept the Premises “as is” in their condition existing as of the date of this Lease, without any obligation on the part of Landlord to improve, alter, repair or clean the Premises in any way for Tenant’s occupancy hereunder, except as otherwise expressly provided herein. Notwithstanding the foregoing:

(a) Landlord shall, at Landlord’s sole expense, perform all work necessary to cause the following conditions to be satisfied (“**Landlord’s Section 2.3 Work**”): (i) all existing Building systems and improvements (including, but not limited to, the existing HVAC, electrical and plumbing systems and all utilities serving the Premises) shall be in good working order and repair, including selective retrofit and upgrade work to certain of such Building systems as reasonably determined by Landlord to be appropriate to accommodate a standard level of laboratory improvements; (ii) the Premises and Service Annex, as defined below (excluding any improvements constructed in either of them by Tenant) and the Common Areas of the Center shall comply with all laws, rules, regulations, codes, ordinances, requirements, covenants, conditions and restrictions applicable thereto at the Rent Commencement Date, and shall comply with the terms of Landlord’s warranty set forth in Section 2.3(c) below; (iii) the roof membrane of the Building shall be replaced; (iv) any additional shell or structural work which Landlord in its sole discretion deems necessary or appropriate to prepare the Building for occupancy by Tenant (which additional work may include, but will not necessarily include or be limited to, structural reinforcement and/or voluntary seismic upgrades) shall be substantially completed;

and (v) Landlord shall have substantially completed construction of those portions of the Service Annex designated for exclusive or shared use by the occupant of the Building, including all systems and improvements reasonably required for the contemplated use thereof, in accordance with Section 2.3(d) below. As described in the Workletter, a detailed (but not necessarily exhaustive) description of the elements of the “Base Building” which it is Landlord’s responsibility to deliver to Tenant in accordance with this Section 2.3 and the Workletter (including, but not necessarily limited to, the elements of Landlord’s Section 2.3 Work as described above) is set forth in Schedule B-1 attached to the Workletter and incorporated by reference therein. Landlord shall use reasonable efforts to coordinate the design and construction of Landlord’s Section 2.3 Work with Tenant’s final interior layout and with the final plans and specifications for the Tenant Improvements. Landlord shall use reasonable efforts to endeavor to complete Landlord’s Section 2.3 Work and cause the conditions set forth in the first sentence of this paragraph to be satisfied by February 7, 2007, but to the extent it is not reasonably practicable to do so by February 7, 2007, Landlord shall thereafter continue to proceed diligently and with reasonable efforts to complete the required work and achieve the required conditions as promptly as practicable thereafter, and Landlord and Tenant shall continue to cooperate reasonably and in good faith with one another (and cause their respective consultants and contractors to cooperate reasonably and in good faith with one another) in the manner described in Section 2.2 above in connection with the concurrent performance of their respective work in the Building. When Landlord receives written certification from Landlord’s Architect that construction of Landlord’s Section 2.3 Work has been substantially completed (subject only to performance of Punch List Work), Landlord shall prepare and deliver to Tenant a certificate signed by both Landlord and Landlord’s Architect (the “**Section 2.3 Substantial Completion Certificate**”) certifying that the construction of Landlord’s Section 2.3 Work has been substantially completed in accordance with this Section 2.3 and specifying the date of that completion. Thereafter, beginning on the Rent Commencement Date and continuing during the rest of the term of this Lease, Tenant shall be responsible (subject, however, to any corrective obligations of Landlord as expressly set forth in this Lease) for maintenance, repair and/or replacement of all such systems and improvements to the extent required under the provisions of Article 8 hereof. If Landlord’s obligations under this paragraph are violated in any respect, then it shall be the obligation of Landlord, after receipt of written notice from Tenant setting forth with specificity the nature of the violation, to correct promptly and diligently, at Landlord’s sole cost, the condition (s) constituting such violation. However, in the case of the requirements set forth in clause (i) of the first sentence of this paragraph, Tenant’s failure to give such written notice to Landlord within six (6) months after the Rent Commencement Date shall give rise to a conclusive and irrebuttable presumption that Landlord has complied with all Landlord’s obligations under such clause (i), and in the case of the requirements set forth in clauses (ii) through (v) of the first sentence of this paragraph (except with respect to latent defects in the case of the requirements set forth in clauses (iii) and (v) of the first sentence of this paragraph), Tenant’ failure to give such written notice to Landlord regarding any alleged violation within one (1) year after the Rent Commencement Date shall give rise to a conclusive and irrebuttable presumption that Landlord has complied with all Landlord’s obligations under such clauses (ii) through (v). TENANT ACKNOWLEDGES THAT THE WARRANTIES AND/OR OBLIGATIONS CONTAINED IN THIS SECTION 2.3 AND IN THE WORKLETTER (IF APPLICABLE) ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PHYSICAL CONDITION OF THE PREMISES, BUILDING SYSTEMS AND EXISTING IMPROVEMENTS (OTHER THAN TENANT IMPROVEMENTS) IN THE PREMISES, AND THAT LANDLORD MAKES NO OTHER WARRANTIES EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 2.3 AND, IN THE CASE OF TENANT IMPROVEMENTS CONSTRUCTED BY LANDLORD UNDER THE WORKLETTER, AS EXPRESSLY SET FORTH IN THE WORKLETTER.

(b) As set forth in the Workletter, Landlord shall provide Tenant with a tenant improvement allowance in the maximum amount of One Hundred Twenty-Five Dollars (\$125) per square foot, or approximately Five Million Seven Hundred Nine Thousand Seven Hundred Fifty Dollars (\$5,709,750) in total (the "**Tenant Improvement Allowance**"), towards the construction of Tenant Improvements (as defined in the Workletter) in the Premises. Construction of such Tenant Improvements shall be governed by the provisions of Article 7 hereof (in the case of any such Tenant Improvements constructed by Tenant) and by the Workletter, and such Tenant Improvements shall be constructed in compliance with all of the provisions thereof (including, without limitation, all conditions relating to approval of plans and specifications), as well as the provisions of this Section 2.3. The Tenant Improvement Allowance shall not be used or useable by Tenant for any moving or relocation expenses of Tenant, or for any cost or expense associated with any moveable furniture, trade fixtures, personal property or any other item or element which, under the applicable provisions of this Lease, will not become Landlord's property and remain with the Building upon expiration or termination of this Lease. Any portion of the Tenant Improvement Allowance which has not been claimed or drawn by Tenant within eighteen (18) months after the Rent Commencement Date shall expire and shall no longer be available to Tenant thereafter. Additional conditions and procedures relating to the disbursement of the Tenant Improvement Allowance shall be as set forth in the Workletter or as otherwise reasonably prescribed in writing by Landlord.

(c) Landlord warrants to Tenant that the Premises as they exist on the Rent Commencement Date (but without regard to the particular use for which Tenant will occupy the Premises, and excluding any improvements constructed by Tenant) and the Tenant Improvements constructed by Landlord under the Workletter shall not violate any covenants or restrictions of record or any applicable law, building code, regulation or ordinance in effect on the Rent Commencement Date. Tenant warrants to Landlord that any Tenant Improvements constructed by Tenant and any other improvements constructed by Tenant from time to time shall not violate any applicable law, building code, regulation or ordinance in effect on the Rent Commencement Date or at such later time as such improvements are placed in service. Without limiting the generality of the foregoing, the parties acknowledge that Landlord shall be responsible for Americans with Disabilities Act ("**ADA**") and building code compliance for all improvements in the Building and Common Areas as they exist on the Rent Commencement Date (excluding any improvements constructed by Tenant), for all Landlord's Section 2.3 Work and for all Tenant Improvements constructed by Landlord hereunder and under the Workletter (except to the extent, if any, that the application of ADA or building code requirements to any such improvements is triggered or materially affected by Tenant's construction of any improvements) and that Tenant shall be responsible for ADA and building code compliance required in connection with or as a result of improvements constructed by Tenant. If it is determined that any of these warranties has been violated, then it shall be the obligation of the warranting party, after written notice from the other party, to correct the condition(s) constituting such violation promptly, at the warranting party's sole cost and expense. Tenant acknowledges that except as expressly set forth in this Lease, neither Landlord nor any agent of Landlord has made any representation or warranty as to the present or future suitability of the Center or the Premises for the conduct of Tenant's business or proposed business therein,

(d) As part of Landlord's Section 2.3 Work, Landlord shall construct in a good and workmanlike manner and in compliance with all applicable laws, ordinances, rules and regulations a combined service yard and loading area and related systems and improvements (collectively, the "**Service Annex**") located in the area between the Building and the adjacent building located at 900 Chesapeake Drive (the "**Adjacent Building**") and serving both the Building and the Adjacent Building. The parties intend that the Service Annex will include (but not necessarily be limited to) appropriate areas for vehicle deliveries, trash and hazardous materials storage, future emergency generator areas, and an elevator suitable for freight/passenger use to serve second floor spaces in the Building and the Adjacent Building, and that the Service Annex will also include areas in which systems and equipment can be installed by or at the request of the respective tenants of the Building and the Adjacent Building to support their occupancy of and operations in the Building and the Adjacent Building, respectively. The approximate location and preliminary layout of the Service Annex are shown on the Building Plan. Also shown on the

Building Plan are two areas immediately adjacent to the Building, designated respectively as “Chemical Storage Enclosure” (the “**Chemical Storage Area**”) and “Emergency Generator Enclosure” (the “**Emergency Generator Area**”), which areas are for the exclusive use of the occupant of the Building and shall be deemed to be part of the Service Annex for purposes of Landlord’s construction obligations under this Section 2.3, but are not enclosed and are therefore not included in the calculation of the square footage of the Premises and/or of the Service Annex for purposes of any formulas or other calculations under this Lease that are based on the square footage of the Premises and/or of the Service Annex. Landlord shall have the final authority with respect to the design and layout of the Service Annex and with respect to all plans, drawings and specifications for the Service Annex, but Landlord shall consult reasonably and in good faith with Tenant regarding all such matters. As part of the design and development of the Service Annex, Landlord shall have the right, in its reasonable discretion (but after reasonable consultation with Tenant), to designate various portions of the Service Annex for exclusive use by the occupant of the Building, for exclusive use by the occupant of the Adjacent Building, or for shared, nonexclusive use by the occupant of the Building and the occupant of the Adjacent Building. For purposes of measuring the square footage of the Premises under this Lease (including, but not limited to, measurements contemplated in Section 3.1(c) below), Landlord shall make a reasonable allocation of the square footage of the Service Annex (measured from exterior faces of exterior walls, and from interior faces of common walls shared with the Building or the Adjacent Building) between the Building and the Adjacent Building; so long as the areas (if any) designated for exclusive use of the Building and for exclusive use of the Adjacent Building are generally comparable in size and the balance of the Service Annex is designated for shared, nonexclusive use, Landlord’s present intention is to allocate the square footage of the Service Annex fifty percent (50%) to the Building and fifty percent (50%) to the Adjacent Building, and Tenant agrees that such an allocation would be reasonable under those circumstances.

2.4 **Acknowledgment of Rent Commencement Date.** Promptly following the Rent Commencement Date, Landlord and Tenant shall execute a written acknowledgment of the Rent Commencement Date, Termination Date and related matters, substantially in the form attached hereto as **Exhibit C** (with appropriate insertions), which acknowledgment shall be deemed to be incorporated herein by this reference. Notwithstanding the foregoing requirement, the failure of either party to execute such a written acknowledgment shall not affect the determination of the Rent Commencement Date, Termination Date and related matters in accordance with the provisions of this Lease.

2.5 **Holding Over.** If Tenant holds possession of the Premises or any portion thereof after the term of this Lease with Landlord’s written consent, then except as otherwise specified in such consent, Tenant shall become a tenant from month to month at one hundred twenty-five percent (125%) of the minimum rental and otherwise upon the terms herein specified for the period immediately prior to such holding over and shall continue in such status until the tenancy is terminated by either party upon not less than thirty (30) days prior written notice. If Tenant holds possession of the Premises or any portion thereof after the term of this Lease without Landlord’s written consent, then Landlord in its sole discretion may elect (by written notice to Tenant) to have Tenant become a tenant either from month to month or at will, at one hundred fifty percent (150%) of the minimum rental (prorated on a daily basis for an at-will tenancy, if applicable) and otherwise upon the terms herein specified for the period immediately prior to such holding over, or may elect to pursue any and all legal remedies available to Landlord under applicable law with respect to such unconsented holding over by Tenant, Tenant shall indemnify and hold Landlord harmless from any loss, damage, claim, liability, cost or expense (including reasonable attorneys’ fees) resulting from any delay by Tenant in surrendering the Premises or any portion thereof, including but not limited to any claims made by a succeeding tenant by reason of such delay. Acceptance of rent by Landlord following expiration or termination of this Lease shall not constitute a renewal of this Lease.

2.6 Options to Extend Term. Tenant shall have the option to extend the term of this Lease, at the minimum rental set forth in Section 3.1(b) and otherwise upon all the terms and provisions set forth herein with respect to the initial term of this Lease, for up to two (2) additional periods of five (5) years each, the first such period commencing upon the expiration of the initial term hereof and, if such first extension period is duly elected by Tenant, the second such period commencing upon the expiration of the first extended term. Exercise of such option shall be by written notice to Landlord at least nine (9) months and not more than twelve (12) months prior to the expiration of the initial term hereof, in the case of the first extended term, and at least nine (9) months and not more than twelve (12) months prior to the expiration of the first extended term hereof, in the case of the second extended term (if applicable). If Tenant is in default hereunder, beyond any applicable notice and cure periods, on the date of such notice or on the date the applicable extended term is to commence, then the exercise of the option shall be of no force or effect, the applicable extended term shall not commence and this Lease shall expire at the end of the then current term hereof (or at such earlier time as Landlord may elect pursuant to the default provisions of this Lease). If Tenant properly exercises one or both extension options under this Section, then all references in this Lease (other than in this Section 2.6) to the "term" of this Lease shall be construed to include the extension term(s) thus elected by Tenant Except as expressly set forth in this Section 2.6, Tenant shall have no right to extend the term of this Lease beyond its prescribed term.

### 3. RENTAL

#### 3.1 Minimum Rental.

(a) Rental Amounts. Tenant shall pay to Landlord as minimum rental for the Premises, in advance, without deduction, offset, notice or demand, on or before the Rent Commencement Date and on or before the first day of each subsequent calendar month of the initial term of this Lease, the following amounts per month (subject to adjustment under Section 3.1(c) below, if applicable):

<u>Monthly Months</u>	<u>Sq Ft</u>	<u>PSF/PM</u>	<u>Minimum Rental</u>
01 -12	30,000	\$3.250	\$ 97,500.00
13-18	36,000	\$3.400	\$ 122,499.00
19-24	45,678	\$3.400	\$ 155,305.00
25-36	45,678	\$3.600	\$ 164,441.00
37-48	45,678	\$3.744	\$ 171,018.00
49-60	45,678	\$3.894	\$ 177,859.00
61-72	45,678	\$4.050	\$ 184,974.00
73-84	45,678	\$4.211	\$ 192,372.00

If the obligation to pay minimum rental hereunder commences on other than the first day of a calendar month or if the term of this Lease terminates on other than the last day of a calendar month, the minimum rental for such first rental payment month or last month of the term of this Lease, as the case may be, shall be prorated based on the number of days the term of this Lease (from and after the Rent Commencement Date, if applicable) is in effect during such month. If an increase in minimum rental becomes effective on a day other than the first day of a calendar month, the minimum rental for that month shall be the sum of the two applicable rates, each prorated for the portion of the month during which such rate is in effect.

(b) Rental Amounts During Extended Term(s). If Tenant properly exercises its right to extend the term of this Lease pursuant to Section 2.6 hereof, then (i) the monthly minimum rental during the first year of each extended term shall be equal to one hundred four percent (104%) of the monthly minimum rental payable for the last full calendar month preceding the commencement of such extended term, and (ii) the monthly minimum rental during each subsequent year of the applicable extended term shall be equal to one hundred four percent (104%) of the monthly minimum rental payable during the immediately preceding year of the extended term.

(c) Square Footage of Premises. The Building was folly constructed prior to the date of this Lease, has been measured by Landlord's Architect and, applying the measurement formula customarily used by Landlord to measure square footage of buildings in the Center, has been determined to contain 41,821 square feet, which measurement is final and binding on the parties, is hereby accepted by the parties for all purposes under this Lease and is not subject to remeasurement or adjustment. The square footage of the Premises, for all purposes under this Lease (including, without limitation, calculation of minimum rental payments under Section 3.1(a), calculation of the Tenant Improvement Allowance, and calculation of Tenant's Operating Cost Share under Article 5), shall consist of the sum of such Building square footage and the portion of the Service Annex square footage allocated to the Building pursuant to Section 2.3(d) above. An estimated square footage of 45,678 square feet (the Building square footage plus an estimate of 3,857 square feet for the Service Annex, excluding the Chemical Storage Area and the Emergency Generator Area as provided in Section 2.3(d) above) has been used in this Lease in order to provide estimates of the calculations described in the preceding sentence, but upon completion of construction of the Service Annex and notification by Landlord to Tenant of Landlord's final determination of the allocation of the square footage of the Service Annex as contemplated in Section 2.3(d) above, (i) the final square footage for the Premises shall be determined by adding such allocable portion of the Service Annex square footage to the Building square footage of 41,821 square feet, (ii) such final square footage shall be inserted in the Acknowledgment of Rent Commencement Date form to fee executed by the parties pursuant to Section 2.4 above, and (iii) the minimum rental payments under Section 3.1(a), the Tenant Improvement Allowance, Tenant's Operating Cost Share, and any other calculations or amounts determined with reference to the square footage of the Premises shall be amended automatically to reflect such final square footage of the Premises. Notwithstanding the foregoing provisions, the square footages used in Section 3.1(a) for calculation of minimum rental for Months 1 through 18 are not subject to adjustment or recalculation based on the allocable portion of the Service Annex square footage, nor are such square footages, in being less than the estimated entire square footage of the Premises, meant to imply any limitation on Tenant's right or ability to use the entire Premises during such months; such reduced square footages merely represent a method of implementing an economic agreement between the parties with respect to the calculation of Tenant's minimum rental obligation during Months 1 through 18.

3.2 Late Charge. If Tenant fails to pay when due rental or other amounts due Landlord hereunder, such unpaid amounts shall bear interest for the benefit of Landlord at a rate equal to the lesser of ten percent (10%) per annum or the maximum rate permitted by law, from the date due to the date of actual payment. In addition to such interest, Tenant shall pay to Landlord a late charge in an amount equal to five percent (5%) of any installment of minimum rental and any other amounts due Landlord if not paid in full on or before the fifth (5th) day after such rental or other amount is due; provided, however, that for the first two (2) instances of late payment during the term of this Lease, Tenant shall not be required to pay such late charge unless Tenant has failed to pay the past-due amount within three (3) days after Landlord has given Tenant written notice that such amount is past due. Tenant acknowledges that late payment by Tenant to Landlord of rental or other amounts due hereunder will cause Landlord to incur costs not contemplated by this Lease, including, without limitation, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any loan relating to the Center. Tenant further acknowledges that it is extremely difficult and impractical to fix the exact amount of such costs and that the late charge set forth in this Section 3.2 represents a fair and reasonable estimate thereof. Acceptance of any late charge by Landlord shall not constitute a waiver of Tenant's default with respect to overdue rental or other amounts, nor shall such acceptance prevent Landlord from exercising any other rights and remedies available to it. Acceptance of rent or other payments by Landlord shall not constitute a waiver of late charges or interest accrued with respect to such rent or other payments or any prior installments thereof, nor of any other defaults by Tenant, whether monetary or non-monetary in nature, remaining uncured at the time of such acceptance of rent or other payments,

#### 4. TAXES

4.1 Personal Property. Tenant shall be responsible for and shall pay prior to delinquency all taxes and assessments levied against or by reason of any and all alterations, additions and items existing on or in the Premises from time to time during the term of this Lease and taxed as personal property rather than as real property, including (but not limited to) all personal property, trade fixtures and other property placed by Tenant on or about the Premises. Upon request by Landlord, Tenant shall furnish Landlord with satisfactory evidence of Tenant's payment thereof. If at any time during the term of this Lease any of said alterations, additions or personal property, whether or not belonging to Tenant, shall be taxed or assessed as part of the Center, then such tax or assessment shall be paid by Tenant to Landlord within thirty (30) days after presentation by Landlord of copies of the tax bills in which such taxes and assessments are included and shall, for the purposes of this Lease, be deemed to be personal property taxes or assessments under this Section 4.1.

4.2 Real Property. To the extent any real property taxes and assessments on the Premises are assessed directly to Tenant, Tenant shall be responsible for and shall pay prior to delinquency all such taxes and assessments levied against the Premises. Upon request by Landlord, Tenant shall furnish Landlord with satisfactory evidence of Tenant's payment thereof. To the extent the Premises are taxed or assessed to Landlord following the Rent Commencement Date, such real property taxes and assessments shall constitute Operating Expenses (as that term is defined in Section 5.2 of this Lease) and shall be paid in accordance with the provisions of Article 5 of this Lease. Notwithstanding the foregoing provisions, if real property taxes and assessments on the Service Annex are assessed directly to Tenant (which the parties do not expect to be the case), Tenant shall only be required to bear a share of such Service Annex taxes and assessments proportional to the percentage of square footage of the Service Annex that is allocated to the Building, and Landlord shall reimburse Tenant or cause Tenant to be reimbursed for the portion of such Service Annex taxes and assessments allocable to the Adjacent Building. Notwithstanding the foregoing, Tenant shall not be required to pay, and there shall not be included in Operating Expenses, any tax or assessment or increase therein (a) in the nature of a tax on Landlord's net income, or in the nature of an inheritance, gift, transfer, estate or death tax; or (b) in excess of the amount which would be payable on a current basis if such tax or assessment were paid in installments over the full period for which such installments would customarily be paid; or (c) imposed on land or improvements other than those constituting part of the Center (except to the extent, if any, that an allocable share of real property taxes or assessments on land or improvements not constituting part of the Center may be chargeable to Landlord or the Center pursuant to the Master Declaration as defined in Section 15.4 below, in which event such real property taxes or assessments may be included in Operating Expenses to the extent permitted under Article 5 below).

#### 5. OPERATING EXPENSES

##### 5.1 Payment of Operating Expenses.

(a) Tenant shall pay to Landlord, at the time and in the manner hereinafter set forth, as additional rental, Tenant's Operating Cost Share of the Operating Expenses defined in Section 5.2, subject to adjustment pursuant to Section 5.1(b) when applicable. For purposes of this Section 5.1, "**Tenant's Operating Cost Share**" shall be: (i) in the case of Operating Expenses that are reasonably allocable solely to the Building, one hundred percent (100%); (ii) in the case of Operating Expenses that are reasonably attributable to the Service Annex, a percentage amount equal to the percentage of the total square footage of the Service Annex that is included in the Premises pursuant to Section 2.3(d) and Section 3.1(c) above; and (iii) in the case of Operating Expenses that are determined and allocated on a Center-wide basis, seven and twenty-seven hundredths percent (7.27%).

(b) Tenant's Operating Cost Share as specified in Section 5.1(a) with respect to matters allocable to the entire Center is based upon an estimated area of 45,678 square feet for the Premises (subject to determination of the allocable square footage from the Service Annex) and upon an aggregate area of 628,593 square feet for all of the buildings presently located in the Center. If the actual area of the Premises or of any of the buildings existing from time to time in the Center changes for any reason (including, but not limited to, modification of existing buildings, final determination of the allocable square footage from the Service Annex, construction of new buildings in the Center, or construction of new buildings on any adjacent property owned by Landlord and operated, for common area purposes, on an integrated basis with the Center), then Tenant's Operating Cost Share shall be adjusted proportionately to reflect the new actual areas of the Premises and/or such other buildings, as applicable, as determined reasonably and in good faith by Landlord's architect on the same basis of measurement as applied in determining the existing square footage of the Building,

## 5.2 Definition of Operating Expenses.

(a) Subject to the exclusions and provisions hereinafter contained and the allocation principles set forth in Section 5.1, the term "**Operating Expenses**" shall mean, without duplication, the total costs and expenses actually incurred by Landlord for management, operation and maintenance of the Building and the Center, including, without limitation, costs and expenses of (i) insurance (which may include, at Landlord's option, environmental and seismic insurance as part of or in addition to any casualty or property insurance policy), property management, landscaping, and the operation, repair and maintenance of buildings and Common Areas; (ii) all utilities and services; (iii) real and personal property taxes and assessments or substitutes therefor levied or assessed against the Center or any part thereof, including (but not limited to) any possessory interest, use, business, license or other taxes or fees, any taxes imposed directly on gross rents or services, any assessments or charges for police or fire protection, housing, transit, open space, street or sidewalk construction or maintenance or other similar services from time to time by any governmental or quasi-governmental entity, and any other new taxes on landlords in addition to taxes now in effect; (iv) supplies, equipment, utilities and tools used in management, operation and maintenance of the Center; (v) capital improvements to the Center or the improvements therein, amortized over the useful life of such capital improvements as determined reasonably and in good faith by Landlord on the basis of generally accepted accounting principles or tax accounting principles, consistently applied, (aa) which reduce or will cause future reduction of other items of Operating Expenses for which Tenant is otherwise required to contribute or (bb) which are required by law, ordinance, regulation or order of any governmental authority (excluding, however, any such expenses incurred by Landlord in complying with Landlord's obligations under Section 2.3) or (cc) of which Tenant has use or which benefit Tenant, and which in either case under this clause (cc) are reasonably consistent with the nature and quality of the Center as a first-class office and research and development campus; and (vi) any other costs (including, but not limited to, any parking or utilities fees or surcharges not otherwise specifically addressed elsewhere in this Lease) paid by Landlord, as owner of the Center, pursuant to any applicable laws, ordinances, regulations or orders of any governmental or quasi-governmental authority or pursuant to the terms of the Master Declaration (as hereinafter defined) or of any other declarations of covenants, conditions and restrictions now or hereafter affecting the Center or any other property over which Tenant has non-exclusive usage rights as contemplated in Section 1.1(b) hereof. Operating Expenses shall not include any costs attributable to the initial construction of buildings or Common Area improvements in the Center, nor any costs attributable to buildings the square footage of which is not taken into account in determining Tenant's Operating Cost Share under Section 5.1 for the applicable period. The distinction between items of ordinary operating maintenance and repair and items of a capital nature shall be made in accordance with generally accepted accounting principles applied on a consistent basis or in accordance with tax accounting principles, as determined reasonably and in good faith by Landlord's accountants.

(b) Notwithstanding any other provisions of this Section 5.2, the following shall not be included within Operating Expenses: (i) rent paid to any ground lessor; (ii) the cost of constructing tenant improvements for any other tenant of the Center; (iii) the costs of special services, goods or materials provided to any other tenant of the Center and not offered or made available to Tenant; (iv) repairs covered by proceeds of insurance or from funds provided by Tenant or any other tenant of the Center, or as to which any other tenant of the Center is obligated to make such repairs or to pay the cost thereof; (v) legal fees, advertising costs or other related expenses incurred by Landlord in connection with the leasing of space to individual tenants of the Center; (vi) repairs, alterations, additions, improvements or replacements needed to rectify or correct any defects in the design, materials or workmanship of the Building, the Center or the Common Areas; (vii) damage and repairs necessitated by the negligence or willful misconduct of Landlord or of Landlord's employees, contractors or agents; (viii) executive salaries or salaries of service personnel to the extent that such personnel perform services other than in connection with the management, operation, repair or maintenance of the Building or the Center; (ix) Landlord's general overhead expenses not related to the Building or the Center; (x) legal fees, accountants' fees and other expenses incurred in connection with disputes with tenants or other occupants of the Center, or in connection with the enforcement of the terms of any leases with tenants or the defense of Landlord's title to or interest in the Center or any part thereof; (xi) costs incurred due to a violation by Landlord or any other tenant of the Center of the terms and conditions of any lease; (xii) costs of any service provided to Tenant or to other occupants of the Center for which Landlord is reimbursed other than through recovery of Operating Expenses; (xiii) personal property taxes due and payable by any other tenant of the Center; (xiv) costs incurred in connection with an event of casualty or condemnation governed by Article 13 of this Lease (including, but not limited to, any applicable deductible and/or coinsurance amounts under applicable insurance policies); (xv) costs to comply with Landlord's obligations under Section 23 of this Lease; (xvi) costs incurred in connection with the presence of any hazardous substance or hazardous waste (as such terms are defined in Section 9.6) on, under or about the Property or the Center (but in the event of any use or release of such a hazardous substance or hazardous waste by Tenant or related parties as described in Section 9.6, Tenant's responsibility therefor shall be determined pursuant to Section 9.6); (xvii) interest, charges and fees incurred on debt; (xviii) costs in the nature of depreciation, amortization or other expense reserves, except in connection with any amortization of capital expenditures that is expressly authorized under any provision of this Lease; (xix) costs or expenditures for capital repairs, replacements and improvements (as determined pursuant to Section 5.2(a) above) in excess of the amortized amounts which are expressly authorized to be included as Operating Expenses under the provisions of clause (v) of Section 5.2(a) above or under any other applicable provision of this Lease; (xx) costs incurred in connection with any construction of additional buildings in the Center; (xxi) wages, compensation and labor burden for any employee not stationed at the Center on a substantially full-time basis; (xxii) taxes and assessments excluded pursuant to the last sentence of Section 4.2 above; and (xxiii) any fee, profit or compensation paid to or retained by Landlord or any person or entity controlling, controlled by or under common control with Landlord for the management or administration of the Center, to the extent the portion of such aggregate fees, profits or compensation chargeable to Tenant as an Operating Expense under this Article 5 exceeds three percent (3%) of the minimum monthly rental and Operating Expenses (provided, however, that solely for purposes of applying the foregoing limitation during the first eighteen (18) months following the Rent Commencement Date, such limitation shall be calculated using a deemed minimum monthly rental amount calculated on the entire square footage of the Premises and not on the reduced square footage otherwise applicable under Section 3.1 (a) during such initial 18-month period).

5.3 Determination of Operating Expenses. On or before the Rent Commencement Date and during the last month of each subsequent calendar year of the term of this Lease ("Expense Year"), or as soon thereafter as practical, Landlord shall provide Tenant notice of Landlord's estimate of the Operating Expenses for the ensuing Expense Year or applicable portion thereof. On or before the first day of each month during the term of this Lease, beginning on the Rent Commencement Date, Tenant shall pay to Landlord Tenant's Operating Cost Share of the portion of such estimated Operating Expenses allocable (on a prorata basis) to such month; provided, however, that if such notice is not given in the last month of an Expense Year, Tenant shall continue to pay on the basis of the prior year's estimate, if any, until the month after such notice is given. If at any time or times it appears to Landlord that the actual Operating Expenses will vary from Landlord's estimate by more than five percent (5%), Landlord may, by notice to Tenant, revise its estimate for the applicable Expense Year and subsequent payments by Tenant for such Expense Year shall be based upon such revised estimate.

5.4 Final Accounting for Expense Year.

(a) Within ninety (90) days after the close of each Expense Year, or as soon after such 90-day period as practicable, Landlord shall deliver to Tenant a statement of Tenant's Operating Cost Share of the Operating Expenses for such Expense Year prepared by Landlord from Landlord's books and records, which statement shall be final and binding on Landlord and Tenant (except as provided in Section 5.4(b)). If on the basis of such statement Tenant owes an amount that is more or less than the estimated payments for such Expense Year previously made by Tenant, Tenant or Landlord, as the case may be, shall pay the deficiency to the other party within thirty (30) days after delivery of the statement. Failure or inability of Landlord to deliver the annual statement within such ninety (90) day period shall not impair or constitute a waiver of Tenant's obligation to pay Operating Expenses, or cause Landlord to incur any liability for damages.

(b) At any time within three (3) months after receipt of Landlord's annual statement of Operating Expenses as contemplated in Section 5.4(a), Tenant shall be entitled, upon reasonable written notice to Landlord and during normal business hours at Landlord's office or such other places as Landlord shall reasonably designate, to inspect and examine those books and records of Landlord relating to the determination of Operating Expenses for the immediately preceding Expense Year covered by such annual statement or, if Tenant so elects by written notice to Landlord, to request an independent audit of such books and records. Any such independent audit of the books and records shall be conducted by a certified public accountant reasonably acceptable to both Landlord and Tenant or, if the parties are unable to agree, by a certified public accountant appointed by the Presiding Judge of the San Mateo County Superior Court upon the application of either Landlord or Tenant (with notice to the other party). In either event, such certified public accountant shall be one who is not then employed in any capacity by Landlord or Tenant or by any of their respective affiliates. The audit shall be limited to the determination of the amount of Operating Expenses for the subject Expense Year, and shall be based on generally accepted accounting principles and tax accounting principles, consistently applied. If it is determined, by mutual agreement of Landlord and Tenant or by independent audit, that the amount of Operating Expenses billed to or paid by Tenant for the applicable Expense Year was incorrect, then the appropriate party shall pay to the other party the deficiency or overpayment, as applicable, within thirty (30) days after the final determination of such deficiency or overpayment. All costs and expenses of the audit shall be paid by Tenant unless the audit shows that Landlord overstated Operating Expenses for the subject Expense Year by more than five percent (5%), in which case Landlord shall pay all costs and expenses of the audit. Each party agrees to maintain the confidentiality of the findings of any audit in accordance with the provisions of this Section 5.4.

5.5 Proration. If the Rent Commencement Date falls on a day other than the first day of an Expense Year or if this Lease terminates on a day other than the last day of an Expense Year, then the amount of Operating Expenses payable by Tenant with respect to such first or last partial Expense Year shall be prorated on the basis which the number of days during such Expense Year in which this Lease is in effect bears to 365. The termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to Section 5.4 to be performed after such termination.

## 6. UTILITIES

6.1 Payment. Commencing with the Rent Commencement Date and thereafter throughout the term of this Lease, Tenant shall pay, before delinquency, all charges for water, gas, heat, light, electricity, power, sewer, telephone, alarm system, janitorial and other services or utilities supplied to or consumed in or with respect to the Premises (other than any costs for water, electricity or other services or utilities furnished with respect to the Common Areas, which costs shall be paid by Landlord and shall constitute Operating Expenses under Section 5.2 hereof), including any taxes on such services and utilities. It is the intention of the parties that all such services shall be separately metered to the Premises. In the event that any utilities or services supplied to the Premises are not separately metered, then the amount thereof shall be allocated in a reasonable, good faith and appropriate manner by Landlord between the Premises and the other buildings, premises or areas sharing such utilities or services, and the portion thereof allocable to the Building may, in Landlord's discretion, either be included in Operating Expenses allocable to the Building under Section 5.1 hereof or be billed directly to Tenant and paid or reimbursed by Tenant within thirty (30) days after receipt of Landlord's statement and request for payment, accompanied by reasonable supporting documentation evidencing the calculation or determination of the amount for which payment or reimbursement is requested. Notwithstanding the foregoing provisions, during the period from the Lease Commencement Date to the Rent Commencement Date, (a) if Tenant is neither operating its business in the Premises nor performing any material construction of improvements in the Premises, Landlord shall bear all utilities charges for the Premises, but to the extent Landlord is then performing construction of improvements in the Premises pursuant to this Lease and/or the Workletter, Landlord may, in its discretion, make a reasonable, good faith allocation of such utilities charges between (i) Landlord's Work and (ii) the Cost of Improvements (as defined in the Workletter) for the Tenant Improvements being constructed by Landlord; and (b) if Tenant is operating its business in the Premises and/or performing any material construction of improvements in the Premises, utilities charges for the Premises shall be allocated between Landlord and Tenant on the basis of a reasonable, good faith estimate of their respective usage of such utilities.

6.2 Interruption. There shall be no abatement of rent or other charges required to be paid hereunder and Landlord shall not be liable in damages or otherwise for interruption or failure of any service or utility furnished to or used with respect to the Premises, the Building or the Center because of accident, making of repairs, alterations or improvements, severe weather, difficulty or inability in obtaining services or supplies, labor difficulties or any other cause. Notwithstanding the foregoing provisions of this Section 6.2, however, in the event of any interruption or failure of any service or utility to the Premises that (i) is caused in whole or in material part by the active negligence or willful misconduct of Landlord or its agents, employees or contractors and (ii) continues for more than three (3) business days and (iii) materially impairs Tenant's ability to use the Premises for the intended purpose hereunder, then following such three (3) business day period, Tenant's obligations for payment of rent and other charges under this Lease shall be abated in proportion to the degree of impairment of Tenant's use of the Premises, and such abatement shall continue until Tenant's use of the Premises is no longer materially impaired thereby. Tenant expressly waives any benefits of any applicable existing or future law (including, but not limited to, the provisions of California Civil Code Section 1932(1)) to the extent the same would permit the termination of the Lease due to any such interruption or failure of any service or utility, it being the intention of the parties that their respective rights in such circumstances shall be governed solely by the provisions of this Section 6.2.

## 7. ALTERATIONS; SIGNS

7.1 Right to Make Alterations. Tenant shall make no alterations, additions or improvements to the Premises, other than interior non-structural alterations in the Premises costing less than Twenty-Five Thousand Dollars (\$25,000) in each instance and less than Fifty Thousand Dollars (\$50,000) in the aggregate during any twelve (12) month period, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. All such alterations, additions and improvements shall be completed with due diligence in a good and workmanlike manner, in compliance with plans and specifications approved in writing by Landlord and in compliance with all applicable laws, ordinances, rules and regulations, and to the extent Landlord's consent is not otherwise required hereunder for such alterations, additions or improvements, Tenant shall give prompt written notice thereof to Landlord. Tenant shall cause any contractors engaged by Tenant for work in the Building or in the Center to maintain public liability and property damage insurance, and other customary insurance, with such terms and in such amounts as Landlord may reasonably require, naming as additional insureds Landlord and any of its partners, shareholders, property managers, project managers and lenders designated by Landlord for this purpose, and shall furnish Landlord with certificates of insurance or other evidence that such coverage is in effect. Notwithstanding any other provisions of this Section 7.1, under no circumstances shall Tenant make any structural alterations or improvements, or any changes to the roof or equipment installations on the roof, or any alterations materially affecting any building systems, without Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

7.2 Title to Alterations. All alterations, additions and improvements installed by Tenant in, on or about the Premises, the Building or the Center (including, but not limited to, lab benches, fume hoods, clean rooms, cold rooms and other similar improvements and equipment) shall become part of the Property and shall become the property of Landlord, unless Landlord elects to require Tenant to remove the same upon the termination of this Lease; provided, however, that the foregoing shall not apply to Tenant's movable furniture, equipment and trade fixtures, except to the extent any such items are specifically described in the parenthetical in the initial portion of this sentence. Tenant shall promptly repair any damage caused by its removal of any such furniture, equipment or trade fixtures.

(a) Notwithstanding any other provisions of this Article 7, (i) under no circumstances shall Tenant have any right to remove from the Premises or the Building, at the expiration or termination of this Lease, any lab benches, fume hoods, clean rooms, cold rooms or other similar improvements and equipment installed in the Building, even if such equipment and improvements were installed by Tenant; (ii) under no circumstances shall Tenant have any right to remove from the Premises or the Building, at the expiration or termination of this Lease, any alterations, additions, improvements or equipment acquired, constructed or installed with the use, in whole or in part, of any funds from the Tenant Improvement Allowance; (iii) if Tenant requests Landlord's written consent to any alterations, additions or improvements under Section 7.1 hereof and, in requesting such consent, asks that Landlord specify whether Landlord will require removal of such alterations, additions or improvements upon termination or expiration of this Lease, then Landlord shall not be entitled to require such removal unless Landlord specified its intention to do so at the time of granting of Landlord's consent to the requested alterations, additions or improvements; and (iv) Tenant shall not be required to remove any Tenant Improvements constructed or installed pursuant to the Workletter unless Landlord specifies its intention to do so at the time of granting of Landlord's approval of the plans and specifications for the applicable elements of such Tenant Improvements, for which purpose Landlord agrees that (A) it will not withhold its approval of specific elements of the Tenant Improvements, or condition its approval upon Tenant's agreement to remove such elements upon termination or expiration of this Lease, unless Landlord believes reasonably and in good faith that the functionality and marketability of the Premises for purposes of re-leasing to a successor tenant would be materially and adversely affected by the presence of such

specific elements, and (B) it will not require Tenant to remove upon termination or expiration of this Lease, or condition its approval upon Tenant's agreement to remove upon termination or expiration of this Lease, any Tenant Improvements (including, but not limited to, Larc improvements) which constitute standard, non-extraordinary improvements for ordinary office, laboratory and/or Larc uses in biotech facilities.

(b) Notwithstanding any other provisions of this Article 7, (i) it is the intention of the parties that Landlord shall be entitled to claim all tax attributes associated with alterations, additions, improvements and equipment constructed or installed by Tenant or Landlord with funds provided by Landlord pursuant to the Tenant Improvement Allowance; and (ii) it is the intention of the parties that Tenant shall be entitled to claim, during the term of this Lease, all tax attributes associated with alterations, additions, improvements and equipment constructed or installed by Tenant with Tenant's own funds (and without any payment or reimbursement by Landlord pursuant to the Tenant Improvement Allowance), despite the fact that the items described in this clause (ii) are characterized in this Section 7.2 as becoming Landlord's property upon installation, in recognition of the fact that Tenant will have installed and paid for such items, will have the right of possession of such items during the term of this Lease (from and after the Rent Commencement Date) and will have the obligation to pay (directly or indirectly) property taxes on such items, carry insurance on such items to the extent provided in Article 10 hereof and bear the risk of loss with respect to such items to the extent provided in Article 13 hereof. If and to the extent it becomes necessary, in implementation of the foregoing intentions, to identify (either specifically or on a percentage basis, as may be required under applicable tax laws) which alterations, additions, improvements and equipment constructed as part of the Tenant Improvements have been funded through the Tenant Improvement Allowance and which (if any) have been constructed or installed with Tenant's own funds, Landlord and Tenant agree to cooperate reasonably and in good faith to make such an identification by mutual agreement.

7.3 Tenant Trade Fixtures. Subject to the third sentence of Section 7.2 and to Section 7.5, Tenant may install, remove and reinstall trade fixtures without Landlord's prior written consent, except that installation and removal of any trade fixtures which are affixed to the Building or which affect the exterior or structural portions of the Building or which materially affect the Building systems shall require Landlord's written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Subject to the provisions of Section 7.5, the foregoing shall apply to Tenant's signs, which Tenant shall have the right to place and remove and replace (a) only with Landlord's prior written consent as to location, size and composition, which consent shall not be unreasonably withheld, conditioned or delayed, and (b) only in compliance with all restrictions and requirements of applicable law and of any covenants, conditions and restrictions or other written agreements now or hereafter applicable to the Center. Tenant shall immediately repair any damage caused by installation and removal of trade fixtures under this Section 7.3.

7.4 No Liens. Tenant shall at all times keep the Building and the Center free from all liens and claims of any contractors, subcontractors, materialmen, suppliers or any other parties employed either directly or indirectly by Tenant in construction work on the Building or the Center. Tenant may contest any claim of lien, but only if, prior to such contest, Tenant either (i) posts security in the amount of the claim, plus estimated costs and interest, or (ii) records a bond of a responsible corporate surety in such amount as may be required to release the lien from the Building and the Center. Tenant shall indemnify, defend and hold Landlord harmless against any and all liability, loss, damage, cost and other expenses, including, without limitation, reasonable attorneys' fees, arising out of claims of any lien for work performed or materials or supplies furnished at the request of Tenant or persons claiming under Tenant; provided, however, that the foregoing indemnity shall not apply with respect to (x) any Landlord's Work, or (y) any work (or related materials and supplies) performed by Tenant but for which Landlord is obligated to make direct payment to the contractor or supplier out of the Tenant Improvement Allowance.

7.5 Signs. Without limiting the generality of the provisions of Section 7.3 hereof, Tenant shall have the right to install building and monument signage comparable to that maintained by the preceding tenant of the Premises, subject to Landlord's prior approval as to location, size, design and composition (which approval shall not be unreasonably withheld or delayed), subject to the established sign criteria for the Center and subject to all restrictions and requirements of applicable law and of any covenants, conditions and restrictions or other written agreements now or hereafter applicable to the Center. All costs for installation, maintenance and removal or restoration of such signage shall be at Tenant's sole expense.

## 8. MAINTENANCE AND REPAIRS

### 8.1 Landlord's Obligation for Maintenance.

(a) Repairs and Maintenance. Landlord shall repair and maintain or cause to be repaired and maintained the Common Areas of the Center; the roof, exterior walls and other structural portions of the Building and Service Annex; and the shared-use areas of the Service Annex, except to the extent Landlord enters into an alternative arrangement with Tenant and the tenant of the Adjacent Building regarding janitorial and/or other repair and maintenance services relating to such shared-use areas. The cost of all work performed by Landlord under this Section 8.1 shall be an Operating Expense hereunder, except to the extent such work (i) is required due to the negligence of Landlord; (ii) involves the repair or correction of a condition or defect that Landlord is required to correct pursuant to Section 2.3 hereof; (iii) is a capital expense not includible (or in excess of the amount includible on an amortized basis) as an Operating Expense under Section 5.2 hereof, or is otherwise expressly excluded from treatment as an Operating Expense under any other applicable provision of Section 5.2 hereof; (iv) results from an event of casualty or condemnation covered by Article 13 hereof (in which event the provisions of such Article 13 shall govern the parties' respective rights and obligations); or (v) is required due to the negligence or willful misconduct of Tenant or its agents, employees or invitees (in which event Tenant shall bear the full cost of such work pursuant to the indemnification provided in Section 10.6 hereof, subject to the release set forth in Section 10.4 hereof). Tenant knowingly and voluntarily waives the right to make repairs at Landlord's expense (except as specifically provided in Section 8.1(b) hereof), or to offset the cost thereof against rent, under any law, statute, regulation or ordinance now or hereafter in effect.

(b) Tenant's Remedy. If (i) Landlord fails to perform promptly any repair, maintenance or replacement required to be performed by Landlord on the Building or Premises (including the portions of the Service Annex designated for exclusive use by the occupant of the Building, but excluding the shared use areas of the Service Annex) under Section 8.1 (a) and (ii) such failure creates a material risk to health and safety or a material risk of damage to property or a material impairment of Tenant's ability to conduct its business in the Premises and (iii) such failure continues for more than thirty (30) days after Tenant gives Landlord written notice of such failure (or, if such repairs or maintenance cannot reasonably be performed within such 30-day period, then if Landlord fails to commence performance within such 30-day period and thereafter to pursue such performance diligently to completion), then Tenant shall have the right, but not the obligation, to perform such repairs or maintenance and Landlord shall reimburse Tenant for the reasonable cost thereof within fifteen (15) days after written notice from Tenant of the completion and cost of such work, accompanied by copies of invoices or other documentation reasonably supporting the costs for which Tenant is requesting reimbursement. Under no circumstances, however, shall Tenant have any right to offset or deduct the cost of any such work against rent or other charges falling due from time to time under this Lease.

## 8.2 Tenant's Obligation for Maintenance.

(a) Good Order, Condition and Repair. Except as provided in Section 8.1 hereof, and subject to the provisions of Article 13 hereof (which shall be controlling in the event of any casualty or condemnation covered by such Article 13), Tenant at its sole cost and expense shall keep and maintain in good and sanitary order, condition and repair the Premises and every part thereof, wherever located (excluding the shared-use areas of the Service Annex, subject to Section 8.1 above, but including any and all portions of the Service Annex designated for exclusive use by the occupant of the Building), including but not limited to the signs, interior, ceiling, electrical system, plumbing system, telephone and communications systems serving the Premises, the HVAC equipment and related mechanical systems serving the Premises (for which equipment and systems Tenant shall enter into a service contract with a person or entity reasonably approved by Landlord), all doors, door checks, windows, plate glass, door fronts, exposed plumbing and sewage and other utility facilities, fixtures, lighting, wall surfaces, floor surfaces and ceiling surfaces of the Premises and all other interior repairs, foreseen and unforeseen, with respect to the Premises, as required.

(b) Landlord's Remedy. If Tenant, after notice from Landlord, fails to make or perform promptly (and in all events within any applicable notice and cure periods) any repairs or maintenance which are the obligation of Tenant hereunder, Landlord shall have the right, but shall not be required, to enter the Premises and make the repairs or perform the maintenance necessary to restore the Premises to good and sanitary order, condition and repair. Immediately on demand from Landlord, the cost of such repairs shall be due and payable by Tenant to Landlord.

(c) Condition Upon Surrender. At the expiration or sooner termination of this Lease, Tenant shall surrender the Premises and Building and the improvements located therein, including any additions, alterations and improvements thereto (except for items which Tenant is permitted and elects to remove, or is required to remove, pursuant to the provisions of this lease), broom clean, in good and sanitary order, condition and repair (excluding the effects of ordinary wear and tear, casualty damage or condemnation governed by the provisions of Article 13 hereof, and hazardous substances and/or hazardous wastes, except to the extent Tenant is responsible for the same pursuant to the provisions of Section 9.6 or any other applicable provisions of this Lease), first, however, removing all goods and effects of Tenant and all fixtures and items required to be removed or specified to be removed at Landlord's election pursuant to this Lease (including, but not limited to, any such removal required as a result of an election duly made by Landlord to require such removal as contemplated in Section 7.2), and repairing any damage caused by such removal. Tenant expressly waives any and all interest in any personal property and trade fixtures not removed from the Center by Tenant at the expiration or termination of this Lease, agrees that any such personal property and trade fixtures may, at Landlord's election, be deemed to have been abandoned by Tenant, and authorizes Landlord (at its election and without prejudice to any other remedies under this Lease or under applicable law) to remove and either retain, store or dispose of such property at Tenant's cost and expense, and Tenant waives all claims against Landlord for any damages resulting from any such removal, storage, retention or disposal.

## 9. USE OF PROPERTY

9.1 Permitted Use. Subject to Sections 9.3, 9.4 and 9.6 hereof, Tenant shall use the Premises solely for an office, research and development, engineering, laboratory, and/or warehousing facility, and for administrative and other lawful purposes reasonably related to or incidental to such specified uses (subject in each case to receipt of all necessary approvals from the City of Redwood City and all other governmental agencies having jurisdiction over the Premises), and for no other purpose, unless Landlord in its sole discretion otherwise consents in writing.

9.2 [Intentionally Deleted.]

9.3 No Nuisance. Tenant shall not use the Premises for or carry on or permit within the Center or any part thereof any offensive, noisy or dangerous trade, business, manufacture, occupation, odor or fumes, or any nuisance or anything against public policy, nor interfere with the rights or business of Landlord in the Building or the Center, nor commit or allow to be committed any waste in, on or about the Center. Tenant shall not do or permit anything to be done in or about the Center, nor bring nor keep anything therein, which will in any way cause the Center or any portion thereof to be uninsurable with respect to the insurance required by this Lease or with respect to standard fire and extended coverage insurance with vandalism, malicious mischief and riot endorsements.

9.4 Compliance with Laws. Tenant shall not use the Premises, the Building or the Center or permit the Premises, the Building or the Center to be used in whole or in part for any purpose or use that is in violation of any applicable laws, ordinances, regulations or rules of any governmental agency or public authority. Tenant shall keep the Premises equipped with all safety appliances required by law, ordinance or insurance on the Center, or any order or regulation of any public authority, because of Tenant's particular use of the Premises. Tenant shall procure all licenses and permits required for Tenant's particular use of the Premises. Tenant shall use the Premises in strict accordance with all applicable ordinances, rules, laws and regulations and shall comply with all requirements of all governmental authorities now in force or which may hereafter be in force pertaining to the particular use of the Premises and the Center by Tenant, including, without limitation, regulations applicable to noise, water, soil and air pollution, and making such nonstructural alterations and additions thereto as may be required from time to time by such laws, ordinances, rules, regulations and requirements of governmental authorities or insurers of the Center (collectively, "**Requirements**") because of Tenant's construction of improvements in or other particular use of the Premises or the Center. Any structural alterations or additions required from time to time by applicable Requirements because of Tenant's construction of improvements in the Premises or other particular use of the Center shall, at Landlord's election, either (i) be made by Tenant, at Tenant's sole cost and expense, in accordance with the procedures and standards set forth in Section 7.1 for alterations by Tenant, or (iii) be made by Landlord at Tenant's sole cost and expense, in which event Tenant shall pay to Landlord as additional rent, within thirty (30) days after demand by Landlord, an amount equal to all reasonable costs incurred by Landlord in connection with such alterations or additions. The judgment of any court, or the admission by Tenant in any proceeding against Tenant, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement shall be conclusive of such violation as between Landlord and Tenant. Notwithstanding the foregoing, Tenant shall not be required to comply with or cause the Premises or the Center to comply with any Requirements except to the extent such compliance is necessitated due to Tenant's construction of improvements in, or Tenant's particular use of, the Premises.

9.5 Liquidation Sales. Tenant shall not conduct or permit to be conducted any auction, bankruptcy sale, liquidation sale, or going out of business sale, in, upon or about the Center, whether said auction or sale be voluntary, involuntary or pursuant to any assignment for the benefit of creditors, or pursuant to any bankruptcy or other insolvency proceeding.

9.6 Environmental Matters.

(a) For purposes of this Section, "**hazardous substance**" shall mean (i) the substances included within the definitions of the term "hazardous substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq., and the regulations promulgated thereunder, as amended, (ii) the substances included within the definition of "hazardous substance" under the California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code §§ 25300 et seq., and regulations promulgated thereunder,

as amended, (iii) the substances included within the definition of “hazardous materials” under the Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code §§ 25500 et seq., and regulations promulgated thereunder, as amended, (iv) the substances included within the definition of “hazardous substance” under the Underground Storage of Hazardous Substances provisions set forth in California Health & Safety Code §§ 25280 et seq., and (v) petroleum or any fraction thereof; “**hazardous waste**” shall mean (i) any waste listed as or meeting the identified characteristics of a “hazardous waste” under the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901 et seq., and regulations promulgated pursuant thereto, as amended (collectively, “**RCRA**”), (ii) any waste meeting the identified characteristics of “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under the California Hazardous Waste Control Law, California Health & Safety Code §§ 25100 et seq., and regulations promulgated pursuant thereto, as amended (collectively, the “**CHWCL**”), and/or (iii) any waste meeting the identified characteristics of “medical waste” under California Health & Safety Code §§ 25015-25027.8, and regulations promulgated thereunder, as amended; “**hazardous waste facility**” shall mean a hazardous waste facility as defined under the CHWCL; and “**pollutant**” shall mean all substances defined as a “pollutant,” “pollution,” “waste,” “contamination” or “hazardous substance” under the Porter-Cologne Water Quality Control Act, California Water Code §§ 13000 et seq.

(b) Without limiting the generality of the obligations set forth in Section 9.4 of this Lease:

(i) Tenant shall not cause or permit any hazardous substance or hazardous waste to be brought upon, kept, stored or used in or about the Center without the prior written consent of Landlord, which consent shall not be unreasonably withheld, except that Tenant, in connection with its permitted use of the Premises and the Center as provided in Section 9.1, may keep, store and use materials that constitute hazardous substances which are customary for such permitted use, provided such hazardous substances are kept, stored and used in quantities which are customary for such permitted use and are kept, stored and used in full compliance with clauses (ii) and (iii) immediately below.

(ii) Tenant shall comply with all applicable laws, rules, regulations, orders, permits, licenses and operating plans of any governmental authority with respect to the receipt, use, handling, generation, transportation, storage, treatment and/or disposal of hazardous substances or wastes by Tenant or its agents or employees, and Tenant will provide Landlord with copies of all permits, licenses, registrations and other similar documents that authorize Tenant to conduct any such activities in connection with its authorized use of the Premises and the Center from time to time.

(iii) Tenant shall not (A) operate on or about the Center any facility required to be permitted or licensed as a hazardous waste facility or for which interim status as such is required, nor (B) store any hazardous wastes on or about the Center for ninety (90) days or more, nor (C) conduct any other activities on or about the Center that could result in the Center or any portion thereof being deemed to be a “hazardous waste facility” (including, but not limited to, any storage or treatment of hazardous substances or hazardous wastes which could have such a result), nor (D) store any hazardous wastes on or about the Center in violation of any federal or California laws or in violation of the terms of any federal or state licenses or permits held by Tenant.

(iv) Tenant shall not install any underground storage tanks on the Property without the prior written consent of Landlord and prior approval by all applicable governmental authorities. If and to the extent that Tenant obtains all such required consents and approvals and installs any underground storage tanks on the Property, Tenant shall comply with all applicable laws, rules, regulations, orders and permits relating to such underground storage tanks (including any installation, monitoring, maintenance, closure and/or removal of such tanks) as such tanks are defined in California Health & Safety Code § 25281(x), including, without limitation, complying with California Health & Safety Code §§ 25280-25299.7 and the regulations promulgated thereunder, as amended. Tenant shall furnish to Landlord copies of all registrations and permits issued to or held by Tenant from time to time for any and all underground storage tanks located on or under the Property.

(v) If applicable, Tenant shall provide Landlord in writing the following information and/or documentation within fifteen (15) days after the Rent Commencement Date, and shall update such information at least annually, on or before each anniversary of the Rent Commencement Date, to reflect any change in or addition to the required information and/or documentation (provided, however, that in the case of the materials described in subparagraphs (B), (C) and (E) below, Tenant shall not be required to deliver copies of such materials to Landlord but shall maintain copies of such materials to such extent and for such periods as may be required by applicable law and shall permit Landlord or its representatives to inspect and copy such materials during normal business hours at any time and from time to time upon reasonable notice to Tenant; and provided further, however, that Landlord shall keep all such materials reviewed by Landlord confidential, except to the extent disclosure of such materials or of the contents thereof (x) to Landlord's employees, counsel, managers and/or consultants is necessary or appropriate in the course of their employment or their representation of or advice to Landlord or in the enforcement of Landlord's rights and Tenant's obligations under this Lease, or (y) to any prospective lender or purchaser of the Center is necessary or appropriate in connection with any proposed sale or Financing of the Center, or (z) is compelled by any governmental or quasi-governmental authority or by applicable law):

(A) A list of all hazardous substances, hazardous wastes and/or pollutants that Tenant receives, uses, handles, generates, transports, stores, treats or disposes of from time to time in connection with its operations in the Center.

(B) All Material Safety Data Sheets ("MSDS's"), if any, required to be completed with respect to operations of Tenant at the Center from time to time in accordance with Title 26, California Code of Regulations § 8-5194 or 42 U.S.C. § 11021, or any amendments thereto, and any Hazardous Materials Inventory Sheets that detail the MSDS's.

(C) All Hazardous Waste Manifests, if any, that Tenant is required to complete from time to time under California Health & Safety Code § 25160, any regulations promulgated thereunder, any similar successor provisions and/or any amendments to any of the foregoing, in connection with its operations in the Center.

(D) Any Hazardous Materials Management Plan required from time to time with respect to Tenant's operations in the Center, pursuant to California Health & Safety Code §§ 25500 et seq., any regulations promulgated thereunder, any similar successor provisions and/or any amendments to any of the foregoing.

(E) Any Air Toxics Emissions Inventory Plan required from time to time with respect to Tenant's operations in the Center, pursuant to California Health & Safety Code §§ 44340 et seq., any regulations promulgated thereunder, any similar successor provisions and/or any amendments to any of the foregoing.

(F) Any biennial Hazardous Waste Generator reports or notifications furnished by Tenant to the California Department of Toxic Substances Control or other applicable governmental authorities from time to time pursuant to California Code of Regulations Title 22, § 66262.41, any similar successor provisions and/or any amendments to any of the foregoing, in connection with Tenant's operations in the Center.

(G) Any Hazardous Waste Generator Reports regarding source reductions, as required from time to time pursuant to California Health & Safety Code §§ 25244.20 et seq., any regulations promulgated thereunder, any similar successor provisions and/or any amendments to any of the foregoing, in connection with Tenant's operations in the Center.

(H) Any Hazardous Waste Generator Reports or notifications not otherwise described in the preceding subparagraphs and required from time to time pursuant to California Health & Safety Code § 25153.6, California Code of Regulations Title 22, Division 4.5, Chapter 12, §§66262.10 et seq., ("Standards Applicable to Generators of Hazardous Waste"), any other regulations promulgated thereunder, any similar successor provisions and/or any amendments to any of the foregoing, in connection with Tenant's operations in the Center.

(I) All industrial wastewater discharge permits issued to or held by Tenant from time to time in connection with its operations in the Center, and all air quality management district permits issued to or held by Tenant from time to time in connection with its operations in the Center.

(J) Copies of any other lists or inventories of hazardous substances, hazardous wastes and/or pollutants on or about the Center that Tenant is otherwise required to prepare and file from time to time with any governmental or regulatory authority.

(vi) Tenant shall secure Landlord's prior written approval for any proposed receipt, storage, possession, use, transfer or disposal of "radioactive materials" or "radiation" as such materials are defined in Title 26, California Code of Regulations § 17-30100, and/or any other materials possessing the characteristics of the materials so defined, which approval Landlord may withhold in its sole and absolute discretion; provided, that such approval shall not be required for any radioactive materials (x) for which Tenant has secured prior written approval of the Nuclear Regulatory Commission and delivered to Landlord a copy of such approval (if applicable), or (y) which Tenant is authorized to use pursuant to the terms of any radioactive materials license issued by the State of California. Tenant, in connection with any such authorized receipt, storage, possession, use, transfer or disposal of radioactive materials or radiation, shall:

(A) Comply with all federal, state and local laws, rules, regulations, orders, licenses and permits issued to or applicable to Tenant with respect to its operations in the Center;

(B) Maintain, to such extent and for such periods as may be required by applicable law, and permit Landlord and its representatives to inspect during normal business hours at any time and from time to time upon reasonable notice to Tenant, a list of all radioactive materials or radiation received, stored, possessed, used, transferred or disposed of by Tenant or in connection with Tenant's operations in the Center from time to time, to the extent not already disclosed through delivery of a copy of a Nuclear Regulatory Commission approval with respect thereto as contemplated above; and

(C) Maintain, to such extent and for such periods as may be required by applicable law, and permit Landlord or its representatives to inspect during normal business hours at any time and from time to time upon reasonable notice to Tenant, all licenses, registration materials, inspection reports, governmental orders and permits in connection with the receipt, storage, possession, use, transfer or disposal of radioactive materials or radiation by Tenant or in connection with Tenant's operations in the Center from time to time.

(vii) Tenant shall comply with any and all applicable laws, rules, regulations and orders of any governmental authority with respect to the release into the environment of any hazardous wastes, hazardous substances, pollutants, radiation or radioactive materials by Tenant or its agents or employees. If and to the extent Tenant becomes aware of any unauthorized release of any such hazardous wastes, hazardous substances, pollutants, radiation or radioactive materials into the environment and such release (x) creates a significant risk to human health or safety, (y) creates a significant risk of contamination of any of the improvements, soil or groundwater on or under the Property, or (z) is required to be reported to any governmental authority (including, but not limited to, any release of a Reportable Quantity, under the Emergency Planning and Community Right to Know Act, of any hazardous substance, hazardous waste, pollutant, radiation or radioactive material), then in each such event, Tenant shall give Landlord verbal notice of such release as immediately as practicable, shall follow such verbal notice with written notice to Landlord of such release within one (1) business day after Tenant became aware of such release, and shall provide Landlord with a copy of any written report or disclosure filed by Tenant with any governmental authority with respect to such release, substantially concurrently with Tenant's filing of such written report or disclosure with the applicable governmental authority.

(viii) Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, losses (including, but not limited to, loss of rental income), damages, liabilities, costs, legal fees and expenses of any sort arising out of or relating to (A) any failure by Tenant to comply with any provisions of this Section 9.6(b), or (B) any receipt, use handling, generation, transportation, storage, treatment, release and/or disposal of any hazardous substance, hazardous waste, pollutant, radioactive material or radiation on or about the Center as a proximate result of Tenant's use of the Center or as a result of any intentional or negligent acts or omissions of Tenant or of any agent, employee or invitee of Tenant. Notwithstanding the foregoing provisions, Landlord acknowledges and agrees that losses of rental or other income compensable under the preceding sentence do not include any actual or alleged loss of rental or other income arising from another tenant's or prospective tenant's or prospective purchaser's objection to the mere fact of Tenant's use of hazardous substances or materials on or about the Premises, absent any material violation by Tenant or its agents or employees of the provisions of this Lease or of applicable law in the course of such use.

(ix) Tenant shall cooperate with Landlord in furnishing Landlord with complete information regarding Tenant's receipt, handling, use, storage, transportation, generation, treatment and/or disposal of any hazardous substances, hazardous wastes, pollutants, radiation or radioactive materials in or about the Center. Upon request, but subject to Tenant's reasonable operating and security procedures, Tenant shall grant Landlord reasonable access at reasonable times to the Premises to inspect Tenant's receipt, handling, use, storage, transportation, generation, treatment and/or disposal of hazardous substances, hazardous wastes, pollutants, radiation and radioactive materials, without Landlord thereby being deemed guilty of any disturbance of Tenant's use or possession or being liable to Tenant in any manner.

(x) Notwithstanding Landlord's rights of inspection and review under this Section 9.6(b), Landlord shall have no obligation or duty to so inspect or review, and no third party shall be entitled to rely on Landlord to conduct any sort of inspection or review by reason of the provisions of this Section 9.6(b).

(xi) Prior to, or as soon as practicable after, mutual execution of this Lease, Landlord shall obtain, at Landlord's expense, a Phase I environmental study evaluating the presence or absence of hazardous substances, hazardous wastes, pollutants, radiation and radioactive materials in and under the Building, and shall provide a copy of that study to Tenant. The purpose of this study is to provide evidence of the "baseline" condition of the Building prior to Tenant's occupancy and use thereof, but such evidence is not intended to be conclusive or irrebuttable. Tenant shall also have the right (but not the obligation), if it so elects and at its own expense, to conduct its own environmental study of the Premises prior to or at the time of Tenant's occupancy, in which event Tenant shall provide a copy of such study to Landlord. If Tenant or its employees, agents, contractors, vendors, customers or guests receive, handle, use, store, transport, generate, treat and/or dispose of any hazardous substances or wastes or radiation or radioactive materials on or about the Center at any time during the term of this Lease, then within thirty (30) days after Tenant vacates the Premises upon termination or expiration of this Lease, Landlord shall obtain a further environmental study (which study shall be at least a Phase I study, and shall be a Phase II study to the extent the results of the Phase I study reasonably suggest the necessity or desirability of a Phase II level investigation in any areas), performed by GeoSyntec or Geomatrix or another reputable environmental consultant selected by Landlord, evaluating the presence or absence of hazardous substances, hazardous wastes, pollutants, radiation and radioactive materials on and about those portions of the Center affected by Tenant's operations in the Center and attributable or potentially attributable to such operations (the "**Exit Study**"). Liability for any remedial actions required or recommended on the basis of the Exit Study shall be allocated in accordance with Sections 9.4, 9.6, 10.6 and other applicable provisions of this Lease. The cost of the Exit Study shall be borne by Landlord, except that if the Exit Study identifies any required or recommended remedial work that is Tenant's responsibility under the applicable provisions of this Lease, then Tenant shall also reimburse Landlord for the cost of the Exit Study, which reimbursement shall be paid within thirty (30) days after written demand by Landlord, accompanied by a copy of the invoice(s) reflecting the cost of the Exit Study. The Exit Study is not intended to be conclusive or irrebuttable. Tenant shall also have the right (but not the obligation), if it so elects and at its own expense, to conduct its own environmental study of the Premises to verify the results of the Exit Study,

(c) Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims, losses, damages, liabilities, costs, legal fees and expenses of any sort arising out of or relating to (i) the presence on the Center of any hazardous substances, hazardous wastes, pollutants, radiation or radioactive materials present on the Center as of the Rent Commencement Date (other than as a result of any intentional or negligent acts or omissions of Tenant or of any agent, employee or invitee of Tenant), and/or (ii) any unauthorized release into the environment (including, but not limited to, the Center) of any hazardous substances, hazardous wastes, pollutants, radiation or radioactive materials to the extent such release results from the negligence of or willful misconduct or omission by Landlord or its agents or employees,

(d) The provisions of this Section 9.6 shall survive the termination of this Lease.

## 10. INSURANCE AND INDEMNITY

### 10.1 Insurance.

(a) Tenant shall procure and maintain in full force and effect at all times during the term of this Lease, from and after the Early Access Date, at Tenant's cost and expense, commercial general liability insurance to protect against liability arising out of or related to the use of or resulting from any accident occurring in, upon or about the Premises, with limits of liability of not less than (i) Three Million Dollars (\$3,000,000.00) per occurrence for bodily injury, personal injury and death, and Five Hundred Thousand Dollars (\$500,000.00) per occurrence for property damage, or (ii) a combined single limit of liability of not less than Five Million Dollars (\$5,000,000.00) per occurrence for bodily injury (including personal injury and death) and property damage, which insurance may be provided in a combination of primary and excess limits (the umbrella coverage). Such insurance shall name Landlord, its general partners, its property manager and any lender holding a deed of trust on the Center from time to time (as designated in writing by Landlord to Tenant from time to time) as additional insureds thereunder. The amount of such insurance shall not be construed to limit any liability or obligation of Tenant under this Lease. Tenant shall also procure and maintain in full force and effect at all times during the term of this Lease, at Tenant's cost and expense, products/completed operations coverage on terms and in amounts (A) customary in Tenant's industry for companies engaged in the marketing of products on a scale comparable to that in which Tenant is engaged from time to time and (B) mutually satisfactory to Landlord and Tenant in their respective reasonable discretion, provided that such coverage is reasonably available to Tenant on commercially reasonable terms.

(b) Landlord shall procure and maintain in full force and effect at all times during the term of this Lease, at Landlord's cost and expense (but reimbursable as an Operating Expense under Section 5.2 hereof), commercial general liability insurance to protect against liability arising out of or related to the use of or resulting from any accident occurring in, upon or about the Center, with a combined single limit of liability of not less than Five Million Dollars (\$5,000,000.00) per occurrence for bodily injury (including personal injury and death) and property damage,

(c) Landlord shall procure and maintain in full force and effect at all times during the term of this Lease, at Landlord's cost and expense (but reimbursable as an Operating Expense under Section 5.2 hereof), policies of property insurance providing protection against "all risk of direct physical loss" (as defined by and detailed in the Insurance Service Office's Commercial Property Program "Cause of Loss-Special Form [CP 1030]" or its equivalent) for the shell of the Building and for the improvements in the Common Areas of the Center, on a full replacement cost basis (with no co-insurance or, if coverage without co-insurance is not reasonably available, then on an "agreed amount" basis or with a commercially reasonable margin clause). Such insurance may include earthquake and/or environmental coverage, as part of the same policy or as a separate policy or policies, to the extent Landlord in its sole discretion elects to carry such coverage, and shall have such commercially reasonable deductibles and other terms as Landlord in its discretion determines to be appropriate. Landlord shall have no obligation to carry property damage insurance for any alterations, additions or improvements installed by Tenant in the Building or on or about the Center.

(d) Landlord shall procure and maintain in full force and effect at all times during the term of this Lease, at Tenant's cost and expense (chargeable, pursuant to and subject to Article 5, as an Operating Expense), policies of property insurance providing protection against "all risk of direct physical loss" (as defined by and detailed in the Insurance Service Office's Commercial Property Program "Cause of Loss-Special Form [CP1030]" or its equivalent) for the tenant improvements existing in the Premises on the Early Access Date and for all Tenant Improvements constructed by Landlord pursuant to this Lease and the Workletter (other than Tenant's Property, which it shall be Tenant's responsibility to insure

pursuant to paragraph (e) below), on a full replacement cost basis (with no co-insurance or, if coverage without co-insurance is not reasonably available, then on an “agreed amount” basis or with a commercially reasonable margin clause). Such insurance may have such commercially reasonable deductibles and other terms as Landlord in its reasonable discretion determines to be appropriate. The coverage required to be maintained under this paragraph (d) may, in Landlord’s discretion, be added to or combined with Landlord’s master policy carried under paragraph (c) above. Tenant shall cooperate with Landlord in the preparation of a mutually approved initial list or schedule of such existing improvements and Tenant Improvements, for purposes of identifying the items Landlord is responsible for insuring under this paragraph (d), and Tenant shall thereafter provide to Landlord from time to time, upon request by Landlord annually or at other reasonable intervals, an updated version of such list or schedule (the intended purpose of such updating being to reflect any modification or removal of any such items that would have the effect of eliminating them from the scope of Landlord’s insurance obligation under this paragraph (d)). Landlord, in its discretion, may elect from time to time to obtain appraisals of any or all alterations, additions, improvements and Tenant Improvements which Landlord is required to insure hereunder.

(e) Tenant shall procure and maintain in full force and effect at all times during the term of this Lease, from and after the Early Access Date, at Tenant’s cost and expense, policies of property insurance providing protection against “all risk of direct physical loss” (as defined by and detailed in the Insurance Service Office’s Commercial Property Program “Cause of Loss-Special Form [CP 1030]” or its equivalent) for Tenant’s movable personal property, office furniture, movable equipment and trade fixtures, and all other alterations, additions and improvements placed or installed by Tenant from time to time in or about the Premises (collectively, “**Tenant’s Property**,” which term is not intended to imply any conclusion regarding ultimate ownership of alterations, additions and improvements that are otherwise covered by Article 7 above, but is used solely as a defined term for purposes of the specific contexts in which it is used as such in this Lease), on a full replacement cost basis (with no co-insurance or, if coverage without co-insurance is not reasonably available, then on an “agreed amount” basis or with a commercially reasonable margin clause). Such insurance may have such commercially reasonable deductibles and other terms as Tenant in its discretion determines to be appropriate, and shall name both Tenant and Landlord as insureds as their interests may appear. Without limiting the generality of the foregoing provisions, Tenant’s property insurance on Tenant’s Property shall in all events include earthquake insurance in an amount at least equal to the amount (if any) of the Tenant Improvement Allowance paid by Landlord pursuant to this Lease in connection with the construction of any Tenant Improvements constructed by Tenant pursuant to the Workletter.

(f) During the construction of the Tenant Improvements, each party constructing such Tenant Improvements or any portion thereof shall also procure and maintain in full force and effect, at Tenant’s sole cost and expense (but chargeable against the Tenant Improvement Allowance to the extent any portion of the Tenant Improvement Allowance is available for that purpose), a policy of builder’s risk insurance on the Tenant Improvements being constructed by such party, in such amounts and with such commercially reasonable deductibles as Landlord and Tenant may mutually and reasonably determine to be appropriate with respect to such insurance. Without limiting the generality of the foregoing provisions, any party’s builder’s risk insurance with respect to the Tenant Improvements shall in all events include earthquake insurance in an amount at least equal to the cumulative amount of the Tenant Improvement Allowance paid by Landlord from time to time in connection with the construction of such Tenant Improvements by the applicable party.

10.2 Quality of Policies and Certificates. All policies of insurance required hereunder shall be issued by responsible insurers and, in the case of policies carried or required to be carried by Tenant, shall be written as primary policies not contributing with and not in excess of any coverage that Landlord may carry. Tenant shall deliver to Landlord copies of policies or certificates of insurance showing that said

policies are in effect. The coverage provided by such policies shall include the clause or endorsement referred to in Section 10.4. If Tenant fails to acquire, maintain or renew any insurance required to be maintained by it under this Article 10 or to pay the premium therefor, then Landlord, at its option and in addition to its other remedies, but without obligation so to do, may procure such insurance, and any sums expended by it to procure any such insurance on behalf of or in place of Tenant shall be repaid upon demand, with interest as provided in Section 3.2 hereof. Tenant shall give Landlord at least thirty (30) days prior written notice of any cancellation or nonrenewal of insurance required to be maintained under this Article 10, and shall obtain written undertakings from each insurer under policies required to be maintained by it to endeavor to notify all insureds thereunder at least thirty (30) days prior to cancellation of coverage (or ten (10) days prior to cancellation of coverage due to nonpayment of premiums).

10.3 Workers' Compensation; Employees. Tenant shall maintain in full force and effect during the term of this Lease workers' compensation insurance in at least the minimum amounts required by law, covering all of Tenant's employees working at or about the Premises. In addition, Tenant shall maintain in full force and effect during the term of this Lease employer's liability coverage with limits of liability of not less than One Hundred Thousand Dollars (\$100,000) per accident, One Hundred Thousand Dollars (\$100,000) per employee for disease, and Five Hundred Thousand Dollars (\$500,000) policy limit for disease.

10.4 Waiver of Subrogation. Notwithstanding anything to the contrary elsewhere in this Lease, to the extent permitted by law, Landlord and Tenant each waive any right to recover against the other with respect to (i) damage to property, (ii) damage to the Center or any part thereof, or (iii) claims arising by reason of any of the foregoing, but only to the extent that any of the foregoing damages and claims under clauses (i)-(iii) hereof are covered or would have been covered, and only to the extent of such actual or deemed coverage, by property insurance actually earned or required to be carried hereunder by either Landlord or Tenant, regardless of any negligence of the party receiving the benefit of such waiver. This provision is intended to waive fully, and for the benefit of each party, any rights and claims which might give rise to a right of subrogation in any insurance carrier. Each party shall procure a clause or endorsement on any property insurance policy denying to the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to the occurrence of injury or loss. Coverage provided by insurance maintained by Landlord or Tenant shall not be limited, reduced or diminished by virtue of the subrogation waiver herein contained.

10.5 Increase in Premiums. Tenant shall do all acts and pay all expenses reasonably necessary to ensure that the Premises are not used for purposes prohibited by any applicable fire insurance, and that Tenant's use of the Premises, Building and Center complies with all requirements necessary to obtain any such insurance. If Tenant uses or permits the Premises, Building or Center to be used in a manner which increases the existing rate of any insurance carried by Landlord on the Center and such use continues for longer than a reasonable period specified in any written notice from Landlord to Tenant identifying the rate increase and the factors causing the same, then Tenant shall pay the amount of the increase in premium caused thereby, and Landlord's costs of obtaining other replacement insurance policies, including any increase in premium, within thirty (30) days after demand therefor by Landlord.

#### 10.6 Indemnification.

(a) Except as otherwise expressly provided for in this Lease, Tenant shall indemnify, defend and hold Landlord and its members, partners, shareholders, officers, directors, agents, employees and contractors harmless from any and all liability for injury to or death of any person, or loss of or damage to the property of any person, and all actions, claims, demands, costs (including, without limitation, reasonable attorneys' fees), damages or expenses of any kind arising therefrom which may be brought or made against Landlord or which Landlord may pay or incur by reason of the use, occupancy

and enjoyment of the Center by Tenant or any invitees, sublessees, licensees, assignees, employees, agents or contractors of Tenant or holding under Tenant (including, but not limited to, any such matters arising out of or in connection with any early entry upon the Center by Tenant pursuant to Section 2.2 hereof) from any cause whatsoever other than (i) negligence or willful misconduct or omission by Landlord or its agents, employees or contractors or (ii) Landlord's material breach of its obligations under this Lease, Except as otherwise expressly provided for in this Lease, Landlord and its members, partners, shareholders, officers, directors, agents, employees and contractors shall not be liable for, and Tenant hereby waives all claims against such persons for, damages to goods, wares and merchandise in or upon the Center, or for injuries to Tenant, its agents or third persons in or upon the Center, from any cause whatsoever other than (x) negligence or willful misconduct or omission by Landlord or its agents, employees or contractors or (y) Landlord's material breach of its obligations under this Lease. Tenant shall give prompt notice to Landlord of any casualty or accident in, on or about the Center.

(b) Except as otherwise expressly provided for in this Lease, Landlord shall indemnify, defend and hold Tenant and its partners, shareholders, officers, directors, agents, employees and contractors harmless from any and all liability for injury to or death of any person, or loss of or damage to the property of any person, and all actions, claims, demands, costs (including, without limitation, reasonable attorneys' fees), damages or expenses of any kind arising therefrom which may be brought or made against Tenant or which Tenant may pay or incur, to the extent such liabilities or other matters arise in, on or about the Center by reason of any negligence or willful misconduct or omission by Landlord or its agents, employees or contractors.

10.7 Blanket Policy. Any policy required to be maintained hereunder may be maintained under a so-called "blanket policy" insuring other parties and other locations so long as the amount of insurance required to be provided hereunder is not thereby diminished. Without limiting the generality of the requirement set forth at the end of the preceding sentence, property insurance provided under a blanket policy shall provide full replacement cost coverage and liability insurance provided under a blanket policy shall include per location aggregate limits meeting or exceeding the limits required under this Article 10.

## 11. SUBLEASE AND ASSIGNMENT

11.1 Assignment and Sublease of Building. Except in the case of a Permitted Transfer, Tenant shall not have the right or power to assign its interest in this Lease, or make any sublease of the Premises or any portion thereof, nor shall any interest of Tenant under this Lease be assignable involuntarily or by operation of law, without on each occasion obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Any purported sublease or assignment of Tenant's interest in this Lease requiring but not having received Landlord's consent thereto (to the extent such consent is required hereunder) shall be void. Without limiting the generality of the foregoing provisions, Landlord may withhold consent to any proposed subletting or assignment solely on the ground, if applicable, that the use by the proposed subtenant or assignee is not a permitted use hereunder and is reasonably likely to be incompatible with Landlord's use of the balance of the Center. Except in the case of a Permitted Transfer, any dissolution, consolidation, merger or other reorganization of Tenant, or any sale or transferor substantially all of the stock or assets of Tenant in a single transaction or series of related transactions, shall be deemed to be an assignment hereunder and shall be void without the prior written consent of Landlord as required above. Notwithstanding the foregoing, (i) neither an initial public offering of the common stock of Tenant nor any other sale of Tenant's capital stock through any public securities exchange or market nor any other issuance of Tenant's capital stock for bona fide financing purposes nor any sale or transfer of Tenant's capital stock in connection with any merger or consolidation with, or acquisition of, Tenant, nor any consolidation, merger or reorganization in which Tenant is the surviving entity, shall be deemed to be an assignment, subletting or transfer hereunder; and (ii) Tenant

shall have the right to assign this Lease or sublet the Premises, or any portion thereof, without Landlord's consent (but with prior or concurrent written notice by Tenant to Landlord), to any Affiliate of Tenant, or to any entity which results from a merger or consolidation involving Tenant, or to any entity which acquires substantially all of the stock or assets of Tenant as a going concern (hereinafter each a "**Permitted Transfer**"). For purposes of the preceding sentence, an "**Affiliate**" of Tenant shall mean any entity in which Tenant owns at least a fifty percent (50%) equity interest, any entity which owns at least a fifty percent (50%) equity interest in Tenant, and/or any entity which is related to Tenant by a chain of ownership interests involving at least a fifty percent (50%) equity interest at each level in the chain. Landlord shall have no right to terminate this Lease in connection with, and shall have no right to any sums or other economic consideration resulting from, any Permitted Transfer. Except as expressly set forth in this Section 11.1, however, the provisions of Section 11.2 shall remain applicable to any Permitted Transfer and the transferee under such Permitted Transfer shall be and remain subject to all of the terms and provisions of this Lease.

#### 11.2 Rights of Landlord.

(a) Consent by Landlord to one or more assignments of this Lease, or to one or more sublettings of the Premises or any portion thereof, or collection of rent by Landlord from any assignee or sublessee, shall not operate to exhaust Landlord's rights under this Article 11, nor constitute consent to any subsequent assignment or subletting. No assignment of Tenant's interest in this Lease and no sublease shall relieve Tenant of its obligations hereunder, notwithstanding any waiver or extension of time granted by Landlord to any assignee or sublessee, or the failure of Landlord to assert its rights against any assignee or sublessee, and regardless of whether Landlord's consent thereto is given or required to be given hereunder. In the event of a default by any assignee, sublessee or other successor of tenant in the performance of any of the terms or obligations of Tenant under this Lease, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against any such assignee, sublessee or other successor. In addition, Tenant immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any subletting of all or a part of the Premises as permitted under this Lease, and Landlord, as Tenant's assignee, or any receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence and during the continuance of an event of default by Tenant. Tenant shall have the right to collect such rent and to retain all sublease profits (subject to the provisions of Section 11.2(c), below).

(b) Upon any assignment of Tenant's interest in this Lease for which Landlord's consent is required under Section 11.1 hereof, Tenant shall pay to Landlord, within ten (10) days after receipt thereof by Tenant from time to time, one-half ( $\frac{1}{2}$ ) of all cash sums and other economic considerations received by Tenant in connection with or as a result of such assignment, after first deducting therefrom (i) any costs incurred by Tenant for leasehold improvements (including, but not limited to, third-party architectural and space planning costs) in the Premises in connection with such assignment, amortized over the remaining term of this Lease, (ii) any real estate commissions and/or reasonable attorneys' fees actually incurred by Tenant in connection with such assignment, and (iii) the unamortized cost (assuming straight-line amortization over the entire period from the Rent Commencement Date through the remainder of the initial term of this Lease) of any alterations, additions and improvements made to the Premises at Tenant's expense and remaining in the Premises at the time of such assignment.

(c) Upon any sublease of all or any portion of the Premises for which Landlord's consent is required under Section 11.1 hereof Tenant shall pay to Landlord, within ten (10) days after receipt thereof by Tenant from time to time, one-half ( $\frac{1}{2}$ ) of all cash sums and other economic considerations received by Tenant in connection with or as a result of such sublease, after first deducting

therefrom (i) the minimum rental due hereunder for the corresponding period, prorated (on the basis of the average per-square-foot cost paid by Tenant for the Premises for the applicable period under this Lease) to reflect the size of the subleased portion of the Premises, (ii) any costs incurred by Tenant for leasehold improvements in the subleased portion of the Premises (including, but not limited to, third-party architectural and space planning costs) for the specific benefit of the sublessee in connection with such sublease, amortized over the remaining term of this Lease, (iii) any real estate commissions and/or reasonable attorneys' fees actually incurred by Tenant in connection with such sublease, amortized over the term of such sublease, and (iv) amortized over the term of such sublease, the portion allocable to the sublease term of the unamortized cost (assuming straight-line amortization over the entire period from the Rent Commencement Date through the remainder of the initial term of this Lease) of any alterations, additions and improvements made to the Premises at Tenant's expense and reasonably allocable to the subleased portion of the Premises at the time of the sublease. Notwithstanding anything to the contrary contained in this paragraph (c), in no event shall the economic considerations required to be shared by Tenant with Landlord hereunder include the reasonable, good faith value of any goods or services provided by Tenant to any sublessee in connection with any subletting, including, but not limited to, any shipping, receiving, security, reception, facilities management, laboratory, repair, maintenance, utilities and other similar goods and services provided to the sublessee in excess of the goods and services provided by Landlord to Tenant under this Lease.

## 12. RIGHT OF ENTRY AND QUIET ENJOYMENT

12.1 Right of Entry. Landlord and its authorized representatives shall have the right, subject to Tenant's reasonable operating and security procedures, to enter the Premises at any time during the term of this Lease, provided that after the Rent Commencement Date, such entry shall be made only during normal business hours and upon not less than one (1) business day's prior notice, except in the case of emergency (in which event no notice shall be required and entry may be made at any time), for the purpose of inspecting and determining the condition of the Premises and Building or for any other proper purpose including, without limitation, to make repairs, replacements or improvements which Landlord may deem necessary, to show the Premises and Building to prospective purchasers, to show the Premises and Building to prospective tenants (but only during the final year of the term of this Lease, except that in the case of the initial term or first extended term (if applicable) of this Lease, such period shall instead begin only on the earlier of the date nine (9) months prior to expiration of such initial term or first extended term of this Lease or the date [if any] on which Tenant informs Landlord in writing that Tenant does not intend to exercise its renewal right under Section 2.6 hereof as of the end of such initial term or first extended term of this Lease, but in no event earlier than one (1) year prior to the scheduled expiration date of such initial term or first extended term of this Lease), and to post notices of nonresponsibility. Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business, quiet enjoyment or other damage or loss to Tenant by reason of making any repairs or performing any work upon the Building or the Center or by reason of erecting or maintaining any protective barricades in connection with any such work, and the obligations of Tenant under this Lease shall not thereby be affected in any manner whatsoever, provided, however, Landlord shall use reasonable efforts to minimize the inconvenience to Tenant's normal business operations caused thereby.

12.2 Quiet Enjoyment. Landlord covenants that Tenant, upon paying the rent and performing its obligations hereunder within any applicable notice and cure periods and subject to all the terms and conditions of this Lease, shall peacefully and quietly have, hold and enjoy the Premises and the Center throughout the term of this Lease, or until this Lease is terminated as provided by this Lease.

13.1 Damage or Destruction.

(a) If the Premises or any portion of the Common Areas of the Center necessary for Tenant's use and occupancy of the Premises is damaged or destroyed in whole or in any substantial part during the period from the Rent Commencement Date through the remaining term of this Lease, Landlord shall obtain from Landlord's architect, as soon as practicable (and in all events within forty-five (45) days following the damage or destruction, (i) the architect's reasonable, good faith estimate of the time within which repair and restoration of the Premises and Common Areas (if applicable) can reasonably be expected to be completed to the extent necessary to enable Tenant to resume its full business operations in the Premises without material impairment and (ii) the architect's reasonable, good faith opinion as to whether repair and restoration to that extent will be permitted under applicable governmental laws, regulations and building codes then in effect (collectively, the "**Architect's Estimate**"). If the damage or destruction materially impairs Tenant's ability to conduct its business operations in the Premises, and if either (A) the estimated repair time specified in the Architect's Estimate exceeds six (6) months (or, in the case of an occurrence during the final year of the term of this Lease, sixty (60) days), or (B) the Architect's Estimate states that repair and restoration of the affected areas to the extent necessary to enable Tenant to resume its full business operations in the Premises without material impairment will not be permitted under applicable governmental laws, regulations and building codes then in effect, then in either such event either Landlord or Tenant may terminate this Lease as of the date of the occurrence by giving written notice to the other party within thirty (30) days after the damage has occurred or fifteen (15) days after delivery of the Architect's Estimate, whichever is later; provided, however, that if Landlord elects to terminate this Lease under clause (A) of this sentence on the basis of an Architect's Estimate showing an estimated repair time of more than sixty (60) days but not more than six (6) months with respect to a casualty occurring during the final year of the initial term or first extended term (if applicable) of this Lease but occurring prior to a valid exercise by Tenant of its option to extend the then-current term of this Lease, and if Tenant, within ten (10) days after receipt of written notice of Landlord's election to terminate, validly exercises in writing any then-exercisable option of Tenant to extend the term of this Lease under Section 2.6 above, then Landlord's election to terminate shall be void and of no force or effect and the rights and obligations of the parties shall be determined under this Article 13 without regard to such purported termination by Landlord. In addition, Landlord shall have a similar termination right if the damage or destruction arises from a risk that is not required to be insured against (and is not actually insured against) by Landlord under this Lease and if Landlord's architect reasonably estimates that the uninsured cost to restore the portions of the Premises for which Landlord is responsible to the condition required above would exceed five percent (5%) of the then applicable replacement cost of the entire Premises, unless Tenant agrees in writing, within ten (10) days after being notified of Landlord's exercise of its termination right, to bear the restoration costs in excess of such five percent (5%) limit and, if reasonably requested by Landlord, agrees to provide security in an amount and on terms reasonably satisfactory to Landlord for Tenant's performance of such payment obligation. If the circumstances creating a termination right under the preceding two sentences do not exist, or if such circumstances exist but neither party timely exercises any applicable termination right, then this Lease shall remain in full force and effect and (1) Landlord, as to the Common Areas of the Center, as to the Premises as they existed prior to any construction or installation of Tenant Improvements or other fixtures or personal property by Tenant, and as to all Tenant Improvements constructed by Landlord pursuant to this Lease and the Workletter, and (2) Tenant, as to all Tenant Improvements (if any) constructed by Tenant pursuant to this Lease and the Workletter and as to all other alterations, additions, improvements, fixtures and personal property constructed or installed by Tenant, shall commence and complete, with all due diligence and as promptly as is reasonably practicable under the conditions then existing, all such repair and restoration as may be required to return the affected portions of the Premises and Center to a condition comparable to that existing immediately prior to the occurrence; provided, however, that Tenant in its discretion may elect not to repair, restore or replace any or all of the items which would otherwise be Tenant's responsibility under clause (2) of this sentence to the extent such items were constructed or installed at Tenant's sole expense and without any use of funds from the Tenant Improvement Allowance,

(b) If this Lease is terminated pursuant to the foregoing provisions of this Section 13.1 following an occurrence which is a peril actually insured or required to be insured against pursuant to Section 10.1(e), (d) and/or (e), Landlord and Tenant agree (and any Lender shall be asked to agree) that such insurance proceeds shall be allocated between Landlord and Tenant in a manner which fairly and reasonably reflects their respective ownership rights under this Lease, as of the termination or expiration of the term of this Lease, with respect to the improvements, fixtures, equipment and other items to which such insurance proceeds are attributable.

(c) From and after the date of an occurrence resulting in damage to or destruction of the Premises or of Common Areas necessary for Tenant's use and occupancy of the Premises, and continuing until repair and restoration thereof are completed to the extent necessary to enable Tenant to resume operation of its business in the Premises without substantial impairment, there shall be an equitable abatement of minimum rental and of Tenant's Operating Cost Share of Operating Expenses based upon the degree to which Tenant's ability to conduct its business in the Premises is impaired.

(d) Each party expressly waives the provisions of California Civil Code Sections 1932(2), 1933(4) and any other applicable existing or future law to the extent the same would permit the termination of this Lease in the event of damage to or destruction of the leased property, it being the intention of the parties that their respective rights in such circumstances shall be governed solely by the provisions of this Article 13.

### 13.2 Condemnation.

(a) If during the term of this Lease the Building or any Common Areas of the Center that are necessary for Tenant's use and occupancy of the Premises, or any substantial part of either of them, is taken by eminent domain or by reason of any public improvement or condemnation proceeding, or in any manner by exercise of the right of eminent domain (including any transfer in lieu of or in avoidance of an exercise of the power of eminent domain), or receives irreparable damage by reason of anything lawfully done under color of public or other authority, then (i) this Lease shall terminate as to the entire Premises at Landlord's election by written notice given to Tenant within thirty (30) days after the taking has occurred, and (ii) this Lease shall terminate as to the entire Premises at Tenant's election, by written notice given to Landlord within thirty (30) days after the nature and extent of the taking have been finally determined, if the portion of the Building or Center taken is of such extent and nature as substantially to handicap, impede or permanently impair Tenant's use of the Premises, If Tenant elects to terminate this Lease, Tenant shall also notify Landlord of the date of termination, which date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of Tenant's election to terminate, except that this Lease shall terminate on the date of taking if such date falls on any date before the date of termination designated by Tenant. If neither party elects to terminate this Lease as hereinabove provided, this Lease shall continue in full force and effect (except that there shall be an equitable abatement of minimum rental and of Tenant's Operating Cost Share of Operating Expenses based upon the degree to which Tenant's ability to conduct its business in the Premises is impaired), Landlord shall restore the improvements for which Landlord is responsible (as provided above) to a complete architectural whole and a functional condition and as nearly as reasonably possible to the condition existing before the taking, and Tenant shall restore the improvements for which Tenant is responsible under clause (2) of Section 13.1(a) above to a complete architectural whole and a functional condition and as nearly as reasonably possible to the condition existing before the taking; provided, however, that Tenant in its discretion may elect not to repair, restore or replace any or all of the items

which would otherwise be Tenant's responsibility under such clause (2) to the extent such items were constructed or installed at Tenant's sole expense and without any use of funds from the Tenant Improvement Allowance. In connection with any such restoration, each party shall use its respective reasonable efforts (including, without limitation, any necessary negotiation or intercession with its respective lender, if any) to ensure that any severance damages or other condemnation awards intended to provide compensation for rebuilding or restoration costs are promptly collected and made available to Landlord and Tenant in portions reasonably corresponding to the cost and scope of their respective restoration obligations, subject only to such payment controls as either party or its lender may reasonably require in order to ensure the proper application of such proceeds toward the restoration of the Building and the Center. Each party expressly waives the provisions of California Code of Civil Procedure Section 1265.3 30 and of any other existing or future law to the extent the same would allow either party to terminate (or to petition the Superior Court to terminate) this Lease in the event of a partial condemnation or taking of the leased property, it being the intention of the parties that their respective rights in such circumstances shall be governed solely by the provisions of this Article 3.3.

(b) If this Lease is terminated pursuant to the foregoing provisions of this Section 13.2, or if this Lease remains in effect but any condemnation awards or other proceeds become available as compensation for the loss or destruction of all or any portion of the Building or the Center, then Landlord and Tenant agree (and any Lender shall be asked to agree) that such proceeds shall be allocated between Landlord and Tenant, respectively, in the respective proportions in which Landlord and Tenant would have shared, under Section 13.1(b), the proceeds of any insurance proceeds following loss or destruction of the applicable improvements due to an insured casualty.

13.3 Reservation of Compensation. Landlord reserves, and Tenant waives and assigns to Landlord, all rights to any award or compensation for damage to the Center, the improvements located therein and the leasehold estate created hereby, accruing by reason of any taking in any public improvement, condemnation or eminent domain proceeding or in any other manner by exercise of the right of eminent domain or of anything lawfully done by public authority, except that (a) Tenant shall be entitled to pursue recovery from the applicable public authority for Tenant's moving expenses, trade fixtures and equipment and any leasehold improvements installed by Tenant in the Premises or Building at its own sole expense, but only to the extent Tenant would have been entitled to remove such items at the expiration of the term of this Lease and then only to the extent of the then remaining unamortized value of such improvements computed on a straight-line basis over the period from the Rent Commencement Date through the remainder of the then current term of this Lease, and (b) any condemnation awards or proceeds described in Section 13.2(b) shall be allocated and disbursed in accordance with the provisions of Section 13.2(b), notwithstanding any contrary provisions of this Section 13.3.

13.4 Restoration of Improvements. In connection with any repair or restoration of improvements by either party following a casualty or taking as hereinabove set forth, the party responsible for such repair or restoration shall, to the extent possible, return such improvements to a condition substantially equal to that which existed immediately prior to the casualty or taking. To the extent such party wishes to make material modifications to such improvements, such modifications shall be subject to the prior written approval of the other party (not to be unreasonably withheld or delayed), except that no such approval shall be required for modifications that are required by applicable governmental authorities as a condition of the repair or restoration, unless such required modifications would impair or impede Tenant's conduct of its business in the Premises (in which case any such modifications in Landlord's work shall require Tenant's consent, not unreasonably withheld or delayed) or would materially and adversely affect the exterior appearance, the structural integrity or the mechanical or other operating systems of the Premises or Building (in which case any such modifications in Tenant's work shall require Landlord's consent, not unreasonably withheld or delayed).

#### 14. DEFAULT

14.1 Events of Default. The occurrence of any of the following shall constitute an event of default on the part of Tenant;

(a) Abandonment of the Premises. "**Abandonment**" is hereby defined to include, but is not limited to, any absence by Tenant from the Premises for fifteen (15) consecutive days or more while Tenant is in default, beyond any applicable notice and cure periods, under any other provision of this Lease;

(b) Nonpayment. Failure to pay, when due, any amount payable to Landlord hereunder, such failure continuing for a period of five (5) business days after written notice of such failure; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 et seq., as amended from time to time, so long as such notice is given in the manner required by California Code of Civil Procedure Section 1162;

(c) Other Obligations. Failure to perform any obligation, agreement or covenant under this Lease other than those matters specified in subsection (b) hereof (including, but not limited to, any breach by Tenant of the Master Declaration or Association Documents (if any) as provided in Section 15.4 below), such failure continuing for thirty (30) days after written notice of such failure; provided, however, that if such failure is curable in nature but cannot reasonably be cured within such 30-day period, then Tenant shall not be in default if, and so long as, Tenant promptly (and in all events within such 30-day period) commences such cure and thereafter diligently pursues such cure to completion; and provided further, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 et seq., as amended from time to time, so long as such notice is given in the manner required by California Code of Civil Procedure Section 1162;

(d) General Assignment. A general assignment by Tenant for the benefit of creditors;

(e) Bankruptcy. The filing of any voluntary petition in bankruptcy by Tenant, or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of sixty (60) days. In the event that under applicable law the trustee in bankruptcy or Tenant has the right to affirm this Lease and continue to perform the obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as maybe permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmation of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligations under this Lease, Specifically, but without limiting the generality of the foregoing, such adequate assurances must include assurances that the Premises continue to be operated only for the use permitted hereunder. The provisions hereof are to assure that the basic understandings between Landlord and Tenant with respect to Tenant's use of the Center and the benefits to Landlord therefrom are preserved, consistent with the purpose and intent of applicable bankruptcy laws;

(f) Receivership. The employment of a receiver appointed by court order to take possession of substantially all of Tenant's assets or the Premises, if such receivership remains undissolved for a period of sixty (60) days;

(g) Attachment. The attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of sixty (60) days after the levy thereof; or

(h) Insolvency. The admission by Tenant in writing of its inability to pay its debts as they become due, the filing by Tenant of a petition seeking any reorganization or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the filing by Tenant of an answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any such proceeding or, if within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed.

#### 14.2 Remedies Upon Tenant's Default.

(a) Upon the occurrence of any event of default described in Section 14.1 hereof, Landlord, in addition to and without prejudice to any other rights or remedies it may have, shall have the right either (i) to terminate this Lease and recover from Tenant all damages incurred by Landlord as a result of Tenant's default, as hereinafter provided, or (ii) to continue this Lease in effect and recover rent and other charges and amounts as they become due.

(b) Even if Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession under subsection (a) hereof and Landlord may enforce all of its rights and remedies under this Lease, including the right to recover rent as it becomes due, and Landlord, without terminating this Lease, may exercise all of the rights and remedies of a lessor under California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations), or any successor Code section. Acts of maintenance, preservation or efforts to relet the Premises or the appointment of a receiver upon application of Landlord to protect Landlord's interests under this Lease shall not constitute a termination of Tenant's right to possession,

(c) If Landlord terminates this Lease pursuant to this Section 14.2, Landlord shall have all of the rights and remedies of a landlord provided by Section 1951.2 of the Civil Code of the State of California, or any successor Code section, which remedies include Landlord's right to recover from Tenant (i) the worth at the time of award of the unpaid rent and additional rent which had been earned at the time of termination, (ii) the worth at the time of award of the amount by which the unpaid rent and additional rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided, (iii) the worth at the time of award of the amount by which the unpaid rent and additional rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided, and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary repair, renovation and alteration of the Premises, reasonable attorneys' fees, and other reasonable costs. The "worth at the time of award" of the amounts referred to in clauses (i) and (ii) above shall be computed by allowing interest at ten percent (10%) per annum from the date such amounts accrued to Landlord. The "worth at the time of award" of the amounts referred to in clause (iii) above shall be computed by discounting such amount at one percentage point above the discount rate of the Federal Reserve Bank of San Francisco at the time of award.

14.3 Remedies Cumulative . All rights, privileges and elections or remedies of Landlord contained in this Article 14 are cumulative and not alternative to the extent permitted by law and except as otherwise provided herein.

## 15. SUBORDINATION, ATTORNMENT AND SALE

15.1 Subordination to Mortgage. This Lease, and any sublease entered into by Tenant under the provisions of this Lease, shall be subject and subordinate to any ground lease, mortgage, deed of trust, sale/leaseback transaction or any other hypothecation for security now or hereafter placed upon the Premises, the Building, the Center, or any of them, and the rights of any assignee of Landlord or of any ground lessor, mortgagee, trustee, beneficiary or leaseback lessor under any of the foregoing, and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that such subordination in the case of any future ground lease, mortgage, deed of trust, sale/leaseback transaction or any other hypothecation for security placed upon the Premises, the Building, the Center, or any of them shall be conditioned on Tenant's receipt from the ground lessor, mortgagee, trustee, beneficiary or leaseback lessor of a Non-Disturbance Agreement in a form reasonably acceptable to Tenant (i) confirming that so long as Tenant is not in material default hereunder beyond any applicable cure period (for which purpose the occurrence and continuance of any event of default under Section 14.1 hereof shall be deemed to be "material"), Tenant's rights hereunder shall not be disturbed by such person or entity and (ii) agreeing that the benefit of such Non-Disturbance Agreement shall be transferable to any transferee under a Permitted Transfer and to any other assignee or subtenant that is acceptable to the ground lessor, mortgagee, trustee, beneficiary or leaseback lessor at the time of transfer. If any mortgagee, trustee, beneficiary, ground lessor, sale/leaseback lessor or assignee elects to have this Lease be an encumbrance upon the Center prior to the lien of its mortgage, deed of trust, ground lease or leaseback lease or other security arrangement and gives notice thereof to Tenant, this Lease shall be deemed prior thereto, whether this Lease is dated prior or subsequent to the date thereof or the date of recording thereof. Tenant, and any sublessee, shall execute such documents as may reasonably be requested by any mortgagee, trustee, beneficiary, ground lessor, sale/leaseback lessor or assignee to evidence the subordination herein set forth, subject to the conditions set forth above, or to make this Lease prior to the lien of any mortgage, deed of trust, ground lease, leaseback lease or other security arrangement, as the case may be. Upon any default by Landlord in the performance of its obligations under any mortgage, deed of trust, ground lease, leaseback lease or assignment, provided that Tenant has received such a Non-Disturbance Agreement from the applicable party, Tenant (and any sublessee) shall, notwithstanding any subordination hereunder, attorn to the mortgagee, trustee, beneficiary, ground lessor, leaseback lessor or assignee thereunder upon demand and become the tenant of the successor in interest to Landlord, at the option of such successor in interest, and shall execute and deliver any instrument or instruments confirming the attornment herein provided for, Landlord represents and warrants to Tenant that as of the date of this Lease, neither the Premises, the Building nor the Center is subject to any existing ground lease, mortgage, deed of trust, sale/leaseback transaction or any other hypothecation for security.

15.2 Sale of Landlord's Interest. Upon sale, transfer or assignment of Landlord's entire interest in the Building and the Center, Landlord shall be relieved of its obligations hereunder with respect to liabilities accruing from and after the date of such sale, transfer or assignment.

15.3 Estoppel Certificates. Tenant or Landlord (the "responding party"). as applicable, shall at any time and from time to time, within ten (10) business days after written request by the other party (the "requesting party"), execute, acknowledge and deliver to the requesting party a certificate in writing stating: (i) that this Lease is unmodified and in full force and effect, or if there have been any modifications, that this Lease is in full force and effect as modified and stating the date and the nature of each modification; (ii) the date to which rental and all other sums payable hereunder have been paid; (iii) that the requesting party is not in default in the performance of any of its obligations under this Lease, that the certifying party has given no notice of default to the requesting party and that no event has occurred which, but for the expiration of the applicable time period, would constitute an event of default hereunder, or if the responding party alleges that any such default, notice or event has occurred,

specifying the same in reasonable detail; and (iv) such other matters as may reasonably be requested by the requesting party or by any institutional lender, mortgagee, trustee, beneficiary, ground lessor, sale/leaseback lessor or prospective purchaser of the Center, or prospective sublessee or assignee of this Lease. Any such certificate provided under this Section 15.3 may be relied upon by any lender, mortgagee, trustee, beneficiary, assignee or successor in interest to the requesting party, by any prospective purchaser, by any purchaser on foreclosure or sale, by any grantee under a deed in lieu of foreclosure of any mortgage or deed of trust on the Property, by any subtenant or assignee, or by any other third party. Failure to execute and return within the required time any estoppel certificate requested hereunder, if such failure continues for five (5) days after a second written request by the requesting party for such estoppel-certificate, shall be deemed to be an admission of the truth of the matters set forth in the form of certificate submitted to the responding party for execution,

15.4 Subordination to CC&R's. This Lease, and any permitted sublease entered into by Tenant under the provisions of this Lease, and the interests in real property conveyed hereby and thereby shall be subject and subordinate (a) to any declarations of covenants, conditions and restrictions or other recorded restrictions affecting the Center or any portion thereof from time to time, provided that the terms of such declarations or restrictions are reasonable (or, to the extent they are not reasonable, are mandated by applicable law), do not materially impair Tenant's ability to conduct the uses permitted hereunder on the Premises and in the Center, and do not discriminate against Tenant relative to other similarly situated tenants occupying the portion(s) of the Center covered by such declarations or restrictions, (b) to the Master Declaration of Covenants, Conditions and Restrictions for Seaport Centre, San Mateo County, California, dated October 5, 1987 and recorded on October 6, 1987 as Instrument No. 87153374, Official Records of San Mateo County, as amended from time to time (the "**Master Declaration**"). the provisions of which Master Declaration are an integral part of this Lease, and (c) to the Articles, Bylaws and Association Rules (if any), as amended from time to lime, of the Seaport Centre Owners' Association created under the Master Declaration (the "**Association Documents**"). Any failure by Tenant to comply with the applicable terms of the Master Declaration and the Association Documents (if any) shall be a default under this Lease, Tenant agrees to execute, upon request by Landlord, any documents reasonably required from time to time to evidence the foregoing subordination.

15.5 Mortgagee Protection. If, following a default by Landlord under any mortgage, deed of trust, ground lease, leaseback lease or other security arrangement covering the Building, the Center, or any portion of them, the Building and/or the Center, as applicable, is acquired by the mortgagee, beneficiary, master lessor or other secured party, or by any other successor owner, pursuant to a foreclosure, trustee's sale, sheriffs sale, lease termination or other similar procedure (or deed in lieu thereof), then any such person or entity so acquiring the Building and/or the Center shall not be:

(a) liable for any act or omission of a prior landlord or owner of the Center (including, but not limited to, Landlord), except that such person or entity shall be liable for the cure or correction of any continuing defaults, such as a continuing failure to repair or maintain;

(b) subject to any offsets or defenses that Tenant may have against any prior landlord or owner of the Center (including, but not limited to, Landlord);

(c) bound by any rent or additional rent that Tenant may have paid in advance to any prior landlord or owner of the Center (including, but not limited to, Landlord) for a period in excess of one month, or by any security deposit, cleaning deposit or other prepaid charge that Tenant may have paid in advance to any prior landlord or owner (including, but not limited to, Landlord), except to the extent such deposit or prepaid amount has been expressly turned over to or credited to the successor owner thus acquiring the Center;

(d) liable for any warranties or representations of any nature whatsoever, whether pursuant to this Lease or otherwise, by any prior landlord or owner of the Center (including, but not limited to, Landlord) with respect to the use, construction, zoning, compliance with laws, title, habitability, fitness for purpose or possession, or physical condition (including, without limitation, environmental matters) of the Building or the Center, except for any then remaining obligations of Landlord arising under Section 2.3 of the Lease or under the Workletter; or

(e) liable to Tenant in any amount beyond the interest of such mortgagee, beneficiary, master lessor or other secured party or successor owner in the Center as it exists from time to time, and in the proceeds from any disposition of such interest, it being the intent of this provision that Tenant shall look solely to the interest of any such mortgagee, beneficiary, master lessor or other secured party or successor owner in the Center for the payment and discharge of the landlord's obligations under this Lease and that such mortgagee, beneficiary, master lessor or other secured party or successor owner shall have no separate personal liability for any such obligations.

## 16. SECURITY

16.1 Deposit. Tenant shall have no obligation to provide a security deposit in connection with this Lease.

## 17. MISCELLANEOUS

17.1 Notices. All notices, consents, waivers and other communications which this Lease requires or permits either party to give to the other shall be in writing and shall be deemed given when delivered personally (including delivery by private same-day or overnight courier or express delivery service) or by telecopier with mechanical confirmation of transmission, effective upon personal delivery to or refusal of delivery by the recipient (in the case of personal delivery by any of the means described above) or, except with respect to notices of a party's failure to perform its obligations under this Lease, upon telecopier transmission during normal business hours at the recipient's office (in the case of telecopier transmission, with any transmission outside of normal business hours being effective as of the beginning of the first business day commencing after the time of actual transmission) to the parties at their respective addresses as follows:

To Tenant: (until the Rent Commencement Date)  
OncoMed Pharmaceuticals, Inc.  
265 N. Whisman Road  
Mountain View, CA 94043  
Attn: Chief Executive Officer  
Telecopier: [\*\*\*]

(after the Rent Commencement Date)  
OncoMed Pharmaceuticals, Inc.  
800 Chesapeake Drive  
Redwood City, CA 94063  
Attn: Chief Executive Officer  
Telecopier: [\*\*\*]

with a copy to: Holme, Roberts & Owen LLP  
560 Mission Street, 25th Floor  
San Francisco, CA 94105-2994  
Attn: Kenneth R. Whiting, Jr.  
Telecopier: [\*\*\*]

To Landlord: Slough Redwood City, LLC  
c/o Slough Estates USA Inc.  
444 North Michigan Avenue, Suite 3250  
Chicago, IL 60611  
Attn: Randy Rohner  
Telecopier: [\*\*\*]

with a copy to: Britannia Management Services, Inc.  
555 Twelfth Street, Suite 1650  
Oakland, CA 94607  
Attn: Magdalena Shushan  
Telecopier: [\*\*\*]

and a copy to: Folger Levin & Kahn LLP  
Embarcadero Center West  
275 Battery Street, 23rd Floor  
San Francisco, CA 94111  
Attn: Donald E. Kelley, Jr.  
Telecopier: [\*\*\*]

or to such other address(es) as maybe contained in a notice of address change given by either party to the other pursuant to this Section, effective no earlier than fifteen (15) days after delivery of such notice to the receiving party. Rental payments and other sums required by this Lease to be paid by Tenant shall be delivered to Landlord in care of Britannia Management Services, Inc., 555 Twelfth Street, Suite 1650, Oakland, CA 94607, or at such other address as Landlord may from time to time specify in writing to Tenant, and shall be deemed to be paid only upon actual receipt.

17.2 Successors and Assigns. The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the original Landlord named herein and each successive Landlord under this Lease shall be liable only for obligations accruing during the period of its ownership of the Center, and any liability for obligations accruing after termination of such ownership shall terminate as of the date of such termination of ownership and shall pass to the successor lessor.

17.3 No Waiver. The failure of Landlord or Tenant to seek redress for violation, or to insist upon the strict performance, of any covenant or condition of this Lease shall not be deemed a waiver of such violation, or prevent a subsequent act which would originally have constituted a violation from having all the force and effect of an original violation.

17.4 Severability. If any provision of this Lease or the application thereof is held to be invalid or unenforceable, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each of the provisions of this Lease shall be valid and enforceable, unless enforcement of this Lease as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would materially frustrate the purposes of this Lease.

17.5 Litigation Between Parties. In the event of any litigation or other dispute resolution proceedings between the parties hereto arising out of or in connection with this Lease, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable accountants' fees and attorneys' fees, incurred in connection with such proceedings (including, but not limited to, any appellate proceedings relating thereto) or in connection with the enforcement of any judgment or award rendered in such proceedings. "**Prevailing party**," within the meaning of this Section shall include, without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action.

17.6 Surrender. A voluntary or other surrender of this Lease by Tenant, or a mutual termination thereof between Landlord and Tenant, shall not result in a merger but shall, at the option of Landlord, operate either as an assignment to Landlord of any and all existing subleases and subtenancies, or a termination of all or any existing subleases and subtenancies. This provision shall be contained in any and all assignments or subleases made pursuant to this Lease.

17.7 Interpretation. The provisions of this Lease shall be construed as a whole, according to their common meaning, and not strictly for or against Landlord or Tenant. The captions preceding the text of each Section and subsection hereof are included only for convenience of reference and shall be disregarded in the construction or interpretation of this Lease.

17.8 Entire Agreement. This written Lease, together with the exhibits hereto, contains all the representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Lease and the exhibits hereto. This Lease may be modified only by an agreement in writing signed by each of the parties.

17.9 Governing Law. This Lease and all exhibits hereto shall be construed and interpreted in accordance with and be governed by all the provisions of the laws of the State of California.

17.10 No Partnership. The relationship between Landlord and Tenant is solely that of a lessor and lessee. Nothing contained in this Lease shall be construed as creating any type or manner of partnership, joint venture or joint enterprise with or between Landlord and Tenant.

17.11 Financial Information. From time to time Tenant shall promptly provide directly to prospective lenders and purchasers of the Center designated by Landlord such financial information pertaining to the financial status of Tenant as Landlord may reasonably request; provided, Tenant shall be permitted to provide such financial information in a manner which Tenant deems reasonably necessary to protect the confidentiality of such information. In addition, from time to time, Tenant shall provide Landlord with such financial information pertaining to the financial status of Tenant as Landlord may reasonably request. Landlord agrees that all financial information supplied to Landlord by Tenant shall be treated as confidential material), and shall not be disseminated to any party or entity (including any entity affiliated with Landlord) without Tenant's prior written consent, except that Landlord shall be entitled to provide such information, subject to reasonable precautions to protect the confidential nature thereof, (i) to Landlord's partners and professional advisors, solely to use in connection with Landlord's execution and enforcement of this Lease, and (ii) to prospective lenders and/or purchasers of the Center, solely for use in connection with their bona fide consideration of a proposed financing or purchase of the Center, provided that such prospective lenders and/or purchasers are not then engaged in businesses directly competitive with the business then being conducted by Tenant, For purposes of this Section, without limiting the generality of the obligations provided herein, it shall be deemed reasonable for Landlord to request copies of Tenant's most recent audited annual financial statements, or, if audited statements have

not been prepared, unaudited financial statements for Tenant's most recent fiscal year, accompanied by a certificate of Tenant's chief financial officer that such financial statements fairly present Tenant's financial condition as of the date(s) indicated. Notwithstanding any other provisions of this Section 17.11, during any period in which Tenant has outstanding a class of publicly traded securities and is filing with the Securities and Exchange Commission, on a regular basis, Forms 10Q and 10K and any other periodic filings required under the Securities Exchange Act of 1934, as amended, it shall constitute sufficient compliance under this Section 17.11 for Tenant to furnish Landlord with copies of such periodic filings substantially concurrently with the filing thereof with the Securities and Exchange Commission.

Landlord and Tenant recognize the need of Tenant to maintain the confidentiality of information regarding its financial status and the need of Landlord to be informed of, and to provide to prospective lenders and purchasers of the Center financial information pertaining to, Tenant's financial status. Landlord and Tenant agree to cooperate with each other in achieving these needs within the context of the obligations set forth in this Section.

17.12 Costs. If Tenant requests the consent of Landlord under any provision of this Lease for any act that Tenant proposes to do hereunder, including, without limitation, assignment or subletting of the Premises, Tenant shall, as a condition to doing any such act and the receipt of such consent, reimburse Landlord promptly for any and all reasonable costs and expenses incurred by Landlord in connection therewith, including, without limitation, reasonable attorneys' fees.

17.13 Time. Time is of the essence of this Lease, and of every term and condition hereof.

17.14 Rules and Regulations. Tenant shall observe, comply with and obey, and shall cause its employees, agents and, to the best of Tenant's ability, invitees to observe, comply with and obey such reasonable rules and regulations for the safety, care, cleanliness, order and use of the Building and the Center as Landlord may promulgate and deliver to Tenant from time to time, provided that such rules and regulations are reasonable (or, to the extent they are not reasonable, are mandated by applicable law), do not materially impair Tenant's ability to conduct the uses permitted hereunder on the Premises and in the Center, and do not discriminate against Tenant relative to other similarly situated tenants occupying portions of the Center.

17.15 Brokers. Landlord agrees to pay a brokerage commission in connection with the consummation of this Lease to CB Richard Ellis, Inc., which has acted as dual representative for both Landlord and Tenant, in accordance with a separate written agreement. Each party represents and warrants that no other broker participated in the consummation of this Lease and agrees to indemnify, defend and hold the other party harmless against any liability, cost or expense, including, without limitation, reasonable attorneys' fees, arising out of any claims for brokerage commissions or other similar compensation in connection with any conversations, prior negotiations or other dealings by the indemnifying party with any other broker.

17.16 Memorandum of Lease. At any time during the term of this Lease, either party, at its sole expense, shall be entitled to record a memorandum of this Lease and, if either party so requests, both parties agree to cooperate in the preparation, execution, acknowledgment and recordation of such document in reasonable form. If such a memorandum of lease is recorded, then upon expiration or termination of this Lease, Tenant agrees promptly to execute, acknowledge and deliver to Landlord, upon written request by Landlord, a Termination of Memorandum of Lease in such form as Landlord may reasonably request, for the purpose of terminating any continuing effect of the previously recorded memorandum of lease as a cloud upon title to the Center.

17.17 Organizational Authority. Each party to this Lease represents and warrants that the person signing this Lease on behalf of such party is fully authorized to do so and, by so doing, to bind such party.

17.18 Execution and Delivery. Submission of this Lease for examination or signature by Tenant does not constitute an agreement or reservation of or option for lease of the Premises. This instrument shall not be effective or binding upon either party, as a lease or otherwise, until executed and delivered by both Landlord and Tenant. This Lease may be executed in one or more counterparts and by separate parties on separate counterparts, but each such counterpart shall constitute an original and all such counterparts together shall constitute one and the same instrument.

17.19 Survival. Without limiting survival provisions which would otherwise be implied or construed under applicable law, the provisions of Sections 2.5, 5.4, 7.2, 7.3, 7.4, 8.2(b) and (c), 9.6, 10.6, 17.5, 17.11 and 17.16 hereof shall survive the termination of this Lease with respect to matters occurring prior to the expiration of this Lease.

17.20 Parking. Landlord agrees that the Common Areas, taken as a whole, shall include parking in amounts sufficient to satisfy the minimum parking requirements of the City of Redwood City applicable to the Center from time to time; that Tenant shall have the nonexclusive and non-reserved use of approximately three (3) automobile parking stalls per 1,000 rentable square feet of space in the Premises; and that there shall be no additional cost or charge to Tenant for the nonexclusive, non-reserved use of such parking by Tenant and its employees and invitees. Landlord represents to Tenant that the existing parking in the Center consists of approximately 3.0 spaces per 1,000 square feet. Landlord shall not agree with any other tenant of the Center that such tenant may have the use of parking spaces in excess of such tenant's proportional share of the available parking spaces in the Center as it exists from time to time.

17.21 Warrant. Concurrently with the mutual execution of this Lease, Tenant shall issue and deliver to Landlord or Landlord's designees (which may be any members, partners, shareholders or affiliates of Landlord or any affiliates of any such members, partners, shareholders or affiliates of Landlord) a warrant or warrants registered in the name of Landlord or Landlord's designee(s) for the acquisition of an aggregate of Fifty-Five Thousand (55,000) shares of Tenant's Series B preferred stock, which warrant(s) shall be in the form of **Exhibit D** attached hereto and incorporated herein by this reference. The warrant(s) shall have an exercise price per share equal to one hundred twenty-five percent (125%) of the price per share at which Tenant's Series B preferred stock is issued in its first issuance to one or more institutional investors, and shall be exercisable for a period beginning on the date of issuance and ending on the seventh (7<sup>th</sup>) anniversary of the date of issuance, subject to earlier termination upon certain events as specified in the form of warrant. If no Series B preferred stock has been issued by Tenant to one or more institutional investors within eighteen (18) months after the mutual execution of this Lease, then as set forth in the form of warrant attached hereto as **Exhibit D**, without further action by Tenant or by the holder of the warrant issued hereunder, such warrant shall automatically be deemed to entitle the holder to acquire, in lieu of such Series B preferred stock, an aggregate of Fifty-Five Thousand (55,000) shares of Tenant's Series A preferred stock, with an exercise price per share equal to one hundred twenty-five percent (125%) of the price per share at which Tenant's Series A preferred stock was previously issued to Institutional investors. Landlord hereby designates its affiliate Kwacker Limited, a corporation organized and existing under the laws of England, as the entity to which Landlord's warrants hereunder should be issued in satisfaction of the foregoing provisions.

17.22 Approvals. Whenever this Lease requires an approval, consent, designation, determination, selection or judgment either by Landlord or Tenant, then except to the extent a different standard is expressly provided in the applicable provision where such requirement is set forth, such approval, consent, designation, determination, selection or judgment shall not be unreasonably withheld, conditioned or delayed.

*[rest of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first set forth above.

“Landlord”

“Tenant”

SLOUGH REDWOOD CITY, LLC, a Delaware  
limited liability company

ONCOMED PHARMACEUTICALS, INC,  
a Delaware corporation

By: Slough Estates USA Inc., a Delaware  
corporation, Its Manager

By: /s/ Paul J. Hastings  
Its: President & CEO

By: /s/ Jonathan M. Bergschneider  
Jonathan M. Bergschneider  
Vice President

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**EXHIBITS**

EXHIBIT A-1	Site Plan (The Center)
EXHIBIT A-2	Building Plan/Service Annex
EXHIBIT B	Workletter
EXHIBIT C	Form of Acknowledgment of Rent Commencement Date
EXHIBIT D	Form of Warrant

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**EXHIBIT A-1**

**SITE PLAN (THE CENTER)**

[See attached two (2) pages.]

EXHIBIT A-1 TO LEASE



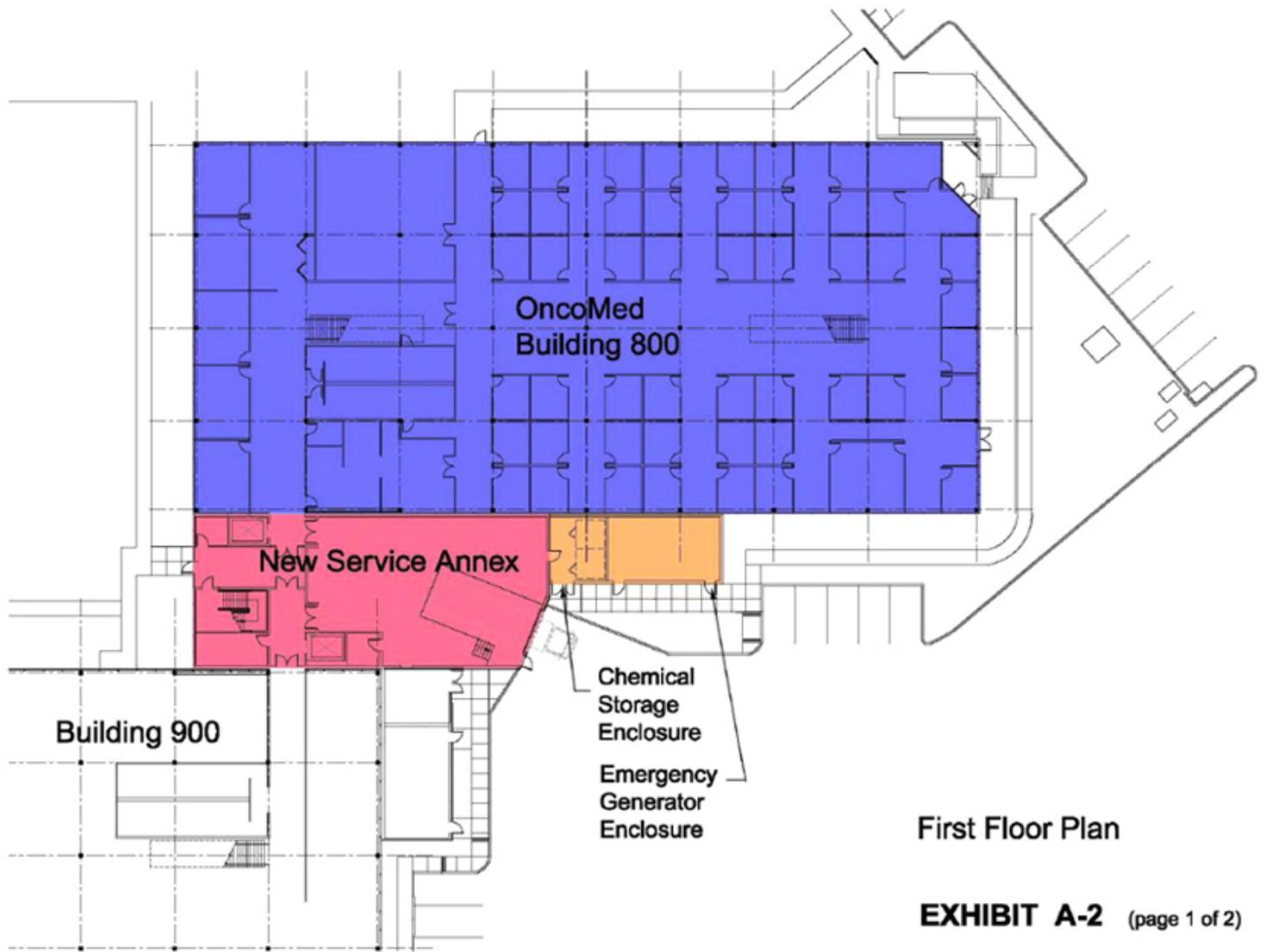
**Seaport Center and Seaport Plaza**  
REDWOOD CITY, CALIFORNIA



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**EXHIBIT A-2**

EXHIBIT A-2 TO LEASE



First Floor Plan

**EXHIBIT A-2** (page 1 of 2)



Second Floor Plan

**EXHIBIT A-2** (page 2 of 2)

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**EXHIBIT B**

**WORKLETTER**

[See attached.]

**EXHIBIT B TO LEASE**

**EXHIBIT B**  
**WORKLETTER**

This Workletter ("**Workletter**") constitutes part of the Lease dated as of May 30, 2006 (the "**Lease**") between SLOUGH REDWOOD CITY, LLC, a Delaware limited liability company ("**Landlord**") and ONCOMED PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**"). The terms of this Workletter are incorporated in the Lease for all purposes.

1. **Defined Terms**. As used in this Workletter, the following capitalized terms have the following meanings:

(a) **Approved TI Plans**: As defined in Paragraph 2(a) hereof, plans and specifications prepared by the TI Architect for the Tenant Improvements and approved by the applicable parties in accordance with Paragraph 2 of this Workletter, subject to further modification from time to time to the extent provided in and in accordance with such Paragraph 2.

(b) **Base Building**: The existing Building shell and existing interior improvements which are to be modified and upgraded pursuant to Landlord's Section 2.3 Work and delivered to Tenant, at Landlord's expense, subject to such demolition (if any) of existing improvements and such construction of additional improvements as are required to be performed in connection with the construction of the Tenant Improvements. A detailed but not necessarily exhaustive description of the Base Building (including both existing elements and modifications or improvements to be constructed as part of Landlord's Section 2.3 Work) is set forth in **Schedule B-1** attached hereto and incorporated herein by this reference.

(c) **Cost of Improvement**: See definition in Paragraph 2(c) hereof,

(d) **Final TI Working Drawings**: See definition in Paragraph 2(a) hereof.

(e) **Improvements**: Collectively, Landlord's Section 2.3 Work and the Tenant Improvements to be constructed pursuant to this Workletter.

(f) **Landlord Delay**: Any of the following types of delay in the completion of construction of Tenant's Work (if any), but in each instance only to the extent that any of the following has actually and proximately caused substantial completion of Tenant's Work to be delayed beyond the later of February 7, 2007 or the date by which the applicable Tenant's Work would have been completed but for such delay:

(i) Any delay resulting from Landlord's failure to furnish, in a timely manner, information reasonably requested by Tenant or by the TI Architect or TI General Contractor in connection with the design or construction of Tenant's Work, or from Landlord's failure to approve in a timely manner any matters requiring approval by Landlord; or

(ii) Any delay caused by Landlord (or Landlord's contractors, agents or employees) materially interfering with the performance of Tenant's Work.

(g) **Landlord's Architect**: DES Architects/Engineers, or any other architect selected by Landlord in its sole discretion, with respect to Landlord's Section 2.3 Work.

(h) Landlord's General Contractor: Hathaway Dinwiddle Construction Company, or any other general contractor selected by Landlord in its sole discretion, with respect to Landlord's Section 2.3 Work.

(i) Landlord's Section 2.3 Work: See definition in Section 2.3(a) of the Lease.

(j) Landlord's TI Work: The Tenant Improvements to be constructed by Landlord pursuant to this Workletter.

(k) Landlord's Work: Collectively, Landlord's Section 2.3 Work and Landlord's TI Work.

(l) Project Manager: Project Management Advisors, Inc., or any other project manager designated by Landlord in its sole discretion from time to time to act in an oversight, project management or other similar capacity on behalf of Landlord in connection with the design and/or construction of Landlord's Section 2.3 Work and the Tenant Improvements.

(m) Punch List Work: Minor corrections of construction or decoration details, and minor mechanical adjustments, that are required in order to cause any applicable portion of the Tenant Improvements as constructed to conform to the Approved TI Plans in all material respects and that do not materially Interfere with Tenant's use or occupancy of the Building and the Property.

(n) Substantial Completion Certificate: See definition in Paragraph 3(a) hereof.

(o) Tenant Change Request: See definition in Paragraph 2(e)(ii) hereof.

(p) Tenant Delay: Any of the following types of delay in the completion of construction of Landlord's Work, but in each instance, only to the extent that any of the following has actually and proximately caused substantial completion of Landlord's Work to be delayed beyond the later of February 7, 2007 or the date by which Landlord's Work would have been completed but for such delay;

(i) Any delay resulting from Tenant's failure to furnish, in a timely manner, information reasonably requested by Landlord or by Project Manager in connection with the design or construction of Landlord's Work, or from Tenant's failure to approve in a timely manner any matters requiring approval by Tenant;

(ii) Any delay resulting from Tenant Change Requests initiated by Tenant, including any delay resulting from the need to revise any drawings or obtain further governmental approvals as a result of any such Tenant Change Request; or

(iii) Any delay of any other kind or nature caused by Tenant (or Tenant's contractors, agents or employees) materially interfering with the performance of Landlord's Work.

(q) Tenant Improvements: The improvements to or within the Building (excluding the Base Building and Landlord's Section 2,3 Work) shown on the Approved TI Plans from time to time and to be constructed by Tenant and/or Landlord, as applicable, pursuant to the Lease and this Workletter. A detailed but not necessarily exhaustive description of certain elements that the parties contemplate as being included within the Tenant Improvements is set forth in Schedule B-2 attached hereto and incorporated herein by this reference.

(r) Tenant's Work: All of the Tenant Improvements (if any) which Landlord and Tenant mutually agree in writing shall be constructed by Tenant pursuant to this Workletter, and such other materials and improvements (if any) as Tenant deems necessary or appropriate for Tenant's initial use and occupancy of the Budding. The parties presently contemplate that substantially all of the Tenant Improvements will be constructed by Landlord and will constitute Landlord's TI Work under this Workletter. However, in anticipation of the possibility that Tenant may perform some equipment installations or other minor improvements in the Premises during the initial construction phase, the definition of "Tenant's Work" is retained and the provisions of this Workletter pertaining to such Tenant's Work, as well as the provisions of Article 7 of the Lease, shall govern the performance of such work by Tenant. The parties acknowledge, nevertheless, that the foregoing allocation of responsibilities with respect to Tenant Improvements is subject to further discussion and modification by mutual agreement of the parties.

(s) TI Architect. The architect for the Landlord's TI Work and for Tenant's Work (if any), which architect shall be mutually selected and approved by Landlord and Tenant, such approval not to be unreasonably withheld, conditioned or delayed by either party. Upon such mutual approval, the TI Architect shall be engaged by Landlord to design the Tenant Improvements. Landlord and Tenant hereby mutually select and approve DES Architects + Engineers as the TI Architect.

(t) TI General Contractor: The general contractor for the Landlord's TI Work and for Tenant's Work (if any), which general contractor shall be mutually selected and approved by Landlord and Tenant, such approval not to be unreasonably withheld, conditioned or delayed by either party. Upon such mutual approval, the TI General Contractor shall be engaged by Landlord to construct the Tenant Improvements constituting Landlord's TI Work and shall be engaged by Tenant to construct the Tenant Improvements constituting Tenant's Work (if any). Notwithstanding Tenant's right to approve and mutually select the TI General Contractor, the TI General Contractor with respect to Landlord's TI Work shall be the contractor of Landlord only, and Tenant shall have no liability to such TI General Contractor. Landlord and Tenant hereby mutually select and approve Hathaway Dinwiddle Construction Company as the TI General Contractor with respect to Landlord's TI Work. Landlord shall cause the TI General Contractor to construct Landlord's TI Work on a cost of work plus fee basis, with a guaranteed maximum price reasonably approved by Tenant and with such fee (for overhead and profit) being limited to 2.1% of the total direct cost of construction, general conditions and insurance relating to Landlord's TI Work.

(u) Unavoidable Delays: Delays due to acts of God, acts of public agencies, labor disputes, strikes, fires, freight embargoes, rainy or stormy weather, inability (despite the exercise of reasonable diligence) to obtain supplies, materials, fuels or permits, delays of contractors or subcontractors, or other causes or contingencies (excluding financial inability) beyond the reasonable control of Landlord or Tenant, as applicable,

(v) Capitalized terms not otherwise defined in this Workletter shall have the definitions set forth in the Lease.

2. Plans, Cost of Improvements and Construction. Landlord and Tenant shall comply with the procedures set forth in this Paragraph 2 in preparing, delivering and approving matters relating to the Tenant Improvements.

(a) Plans, Drawings and Specifications for Landlord's Section 2.3 Work. Landlord shall promptly and diligently (subject to Tenant Delays and Unavoidable Delays) prepare or cause to be prepared all necessary plans, drawings and specifications for Landlord's Section 2.3 Work. In the course thereof, Landlord shall use reasonable efforts to coordinate the design and construction of Landlord's Section 2.3 Work with Tenant's final interior layout and with the final plans and specifications for the Tenant Improvements, shall provide copies of the proposed plans, drawings and specifications for Landlord's Section 2.3 Work to Tenant and shall consult reasonably and in good faith with Tenant

regarding such plans, drawings and specifications, and regarding any changes therein proposed to be made by Landlord from time to time. Nevertheless, Landlord shall have the final authority with respect to the design of Landlord's Section 2.3 Work and with respect to all plans, drawings and specifications relating thereto, and shall not be required to obtain Tenant's consent to or approval of such plans, drawings or specifications or of any changes therein made by Landlord from time to time.

(b) Approved Plans and Working Drawings for Tenant Improvements. Tenant shall promptly and diligently (subject to Landlord Delays and Unavoidable Delays) develop with TI Architect a space plan for the Tenant Improvements and cause TI Architect to prepare proposed schematic plans for the Tenant Improvements. Tenant shall deliver copies of such proposed schematic plans to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Following mutual approval of such proposed schematic plans by Landlord and by Tenant (as so approved, the "**Approved TI Plans**"), Tenant shall then cause to be prepared, promptly and diligently (assuming timely delivery by Landlord of any information and decisions required to be furnished or made by Landlord in order to permit preparation of final working drawings), final detailed working drawings and specifications for the Tenant Improvements, including (without limitation) any applicable life safety, mechanical, electrical and plumbing working drawings and final architectural drawings (collectively, "**Final TI Working Drawings**"), which Final TI Working Drawings shall substantially conform to the Approved TI Plans, Tenant shall deliver copies of the Final TI Working Drawings to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Landlord shall promptly and diligently either approve Tenant's proposed schematic plans or proposed Final TI Working Drawings, as applicable, or set forth in writing with particularity any changes necessary to bring the aspects of such proposed schematic plans or proposed Final TI Working Drawings into a form which will be reasonably acceptable to Landlord or, in the case of the Final TI Working Drawings, into substantial conformity with the Approved TI Plans. Notwithstanding any other provisions of this paragraph, Landlord reserves the right to condition its approval of the proposed schematic plans and/or Final TI Working Drawings upon reasonable specific modifications to reasonably facilitate future uses of the Building. Upon approval of the Final TI Working Drawings by Landlord and Tenant, the Final TI Working Drawings shall be deemed to be incorporated in and considered part of the Approved TI Plans, superseding (to the extent of any inconsistencies) any inconsistent features of the previously existing Approved TI Plans.

(c) Approved Plans and Working Drawings for Any Other Tenant's Work. To the extent Tenant wishes to perform, in the course of the initial build-out of the Premises, any alterations, additions or improvements which are not part of the Tenant Improvements, Tenant shall proceed in the same manner set forth in Paragraph 2(b) above to cause plans, specifications and working drawings for such alterations, additions and improvements to be prepared and delivered to Landlord for approval (which approval shall not be unreasonably withheld, conditioned or delayed by Landlord).

(d) Cost of Improvements. "**Cost of Improvement**" shall mean, with respect to any item or component for which a cost must be determined in order to allocate such cost, or an increase in such cost, to Landlord and/or Tenant pursuant to this Workletter, the sum of the following (unless otherwise agreed in writing by Landlord and Tenant with respect to any specific item or component or any category of items or components); (i) all sums paid to contractors or subcontractors for labor and materials furnished in connection with construction of such item or component; (ii) all costs, expenses, payments, fees and charges (other than penalties) paid or incurred to or at the direction of any city, county or other governmental or quasi-governmental authority or agency which are required to be paid in order to obtain all necessary governmental permits, licenses, inspections and approvals relating to construction of such item or component; (iii) engineering and architectural fees for services rendered in connection with the design and construction of such item or component (including, but not limited to, the applicable Architect for such item or component and an electrical engineer, mechanical engineer and civil engineer); (iv) sales and use taxes; (v) testing and inspection costs; (vi) the cost of power, water and other utility facilities and

the cost of collection and removal of debris required in connection with construction of such item or component; (vii) all other "hard" and "soft" costs incurred in the construction of such item or component in accordance with the applicable Approved TI Plans (If applicable) and this Workletter; and (viii) a reasonable allocation of a portion of the project management fee payable to Project Manager in connection with Project Manager's activities on behalf of Landlord as set forth in Paragraph 2(h) below.

(i) Notwithstanding anything to the contrary in this Workletter, Cost of Improvement allocable to Tenant shall not include, Landlord shall be solely responsible for, and the Tenant Improvement Allowance shall not be used for any of the following; (A) costs incurred to remove from the Premises, the Building and/or the Center any hazardous substances, hazardous wastes and pollutants existing therein prior to the Rent Commencement Date, except to the extent (if any) that such hazardous substances, hazardous wastes or pollutants were brought onto or released onto the Premises, the Building or the Center through the acts or omissions of Tenant or its employees, agents or contractors; (B) costs incurred to perform Landlord's Section 2.3 Work (including, without limitation, any ADA or other legal compliance costs associated with or triggered by Landlord's Section 2.3 Work, except to the extent [if any] otherwise expressly provided in Section 2.3(c) of the Lease); (C) costs for improvements which are not shown on or described in the Approved TI Plans, unless otherwise approved by Tenant; (D) attorneys' fees incurred by Landlord in connection with the negotiation of construction contracts, and attorneys' fees, experts' fees and other costs incurred by Landlord in connection with disputes with third parties; (JE) interest and other financing costs incurred by Landlord in connection with any financing of construction casts or Tenant Improvements; (F) costs of Landlord's TI Work incurred as a consequence of any delay (other than Unavoidable Delay or Tenant Delay), construction defects, or default by any contractor or subcontractor performing any part of Landlord's TI Work; (G) costs actually recovered by Landlord on account of warranties and insurance (for which purpose Landlord agrees to pursue, with reasonable diligence, recovery of any amounts which appear to be reasonably recoverable on account of warranties and insurance); (H) restoration costs in excess of insurance proceeds recovered with respect to any casualty occurring in the course of construction of Landlord's TI Work; (I) penalties and late charges attributable to Landlord's failure to pay, when due, construction costs for which Landlord is responsible under this Workletter, including (but not limited to) any failure to make timely disbursements of the Tenant Improvement Allowance following satisfaction of all applicable conditions to the making of such disbursements; (3) off-site management or other general overhead costs incurred by Landlord; (K) construction management fees and charges paid to Landlord, to any affiliate of Landlord, or to any Project Manager for Landlord, except for the Project Manager's fee described in Paragraph 2(h) of this Workletter; and (L) wages, labor and/or overhead for overtime or premium time, except to the extent such charges can be accommodated within the approved budget and guaranteed maximum price construction contract or are expressly provided for under or included in the cost provisions of an approved Tenant Change Request as defined below.

(ii) For purposes of this Paragraph 2(d) and of Section 2.3 of the Lease, the parties wish to clarify their intention with respect to the allocation of costs of compliance with ADA or other code requirements or other legal compliance requirements (collectively, "**Legal Compliance Costs**") as follows: If Legal Compliance Costs arise from legal requirements which have not previously been applicable to or enforced against the Building but which become applicable to or enforceable against the Building in connection with the permitting and construction of the Tenant Improvements solely because of the extent, cost or value of the Tenant Improvements and/or because of the mere fact that permits are being obtained for the Tenant Improvements, and not because of the particular nature or design of the Tenant Improvements, then Landlord shall bear such Legal Compliance Costs without any charge against the Tenant Improvement Allowance and without any inclusion of such Legal Compliance Costs in the Cost of Improvements for the Tenant Improvements. Landlord specifically agrees that ADA-related compliance costs for the existing toilet cores in the Premises will be part of the Legal Compliance Costs home by Landlord pursuant to the preceding sentence. If Legal Compliance Costs arise from legal

requirements which become applicable to or enforceable against the Building as a result of the particular nature or design of the Tenant Improvements (such as, but not limited to, installation of improvements or equipment which trigger seismic, vibration, firewall, sprinkler, life safety, ventilation or other requirements that would not apply in the absence of the installation and use of such specific improvements or equipment), then Tenant shall be responsible for such Legal Compliance Costs and such Legal Compliance Costs shall be part of the Cost of Improvements for the Tenant Improvements, chargeable against the Tenant Improvement Allowance to the extent they are not excluded from eligibility for payment or reimbursement from the Tenant Improvement Allowance and to the extent the Tenant Improvement Allowance has not otherwise been spent or fully committed at the time.

(e) Budgeting. Following approval by Landlord and Tenant of the Final TI Working Drawings and the selection of subcontractors as provided in this Workletter, Landlord shall prepare an estimated budget for the Tenant Improvements. Tenant shall have five (5) business days after the receipt of such budget to approve or disapprove such estimated budget. Further, if Tenant disapproves the estimated budget and if the Approved TI Plans must be modified to change the scope of the work or to modify finishes or materials shown on the Approved TI Plans in order to reduce the cost of the Tenant Improvements as shown on the estimated budget to a level satisfactory to Tenant, then Tenant shall cause the TI Architect to modify the Approved TI Plans, at Tenant's expense (but chargeable against the Tenant Improvement Allowance to the extent funds are available under the TI Allowance for that purpose), in order to achieve such cost reduction. Any and all revisions to the Approved TI Plans shall be subject to Landlord's approval (which approval shall not be unreasonably withheld, conditioned or delayed) in the same manner provided in Paragraph 2(b) above. Notwithstanding anything to the contrary in this Workletter, the parties agree that if Tenant disapproves the initial estimated budget and if modifications of the Approved TI Plans are then considered or implemented on a "value engineering" basis in order to attempt to address Tenant's objections, then on a one-time basis, any period of not more than ten (10) business days (in the aggregate) of actual delay in the completion of Landlord's TI Work proximately caused by such consideration of or request for revisions of the Approved TI Plans shall not be considered a Tenant Delay under this Workletter.

(f) Construction of Tenant Improvements. Promptly following approval of the Final TI Working Drawings, Landlord shall apply for and use reasonable efforts to obtain the necessary permits and approvals to allow construction of Landlord's TI Work. Upon receipt of such permits and approvals, Landlord shall, at Tenant's expense (subject to the application of the Tenant Improvement Allowance provided in this Workletter, and subject to any other applicable provisions of the Lease or of this Workletter expressly making any specific item of expense or cost the responsibility of Landlord), diligently construct and complete Landlord's TI Work substantially in accordance with the Approved TI Plans, subject to Unavoidable Delays and Tenant Delays (if any). Such construction shall be performed in a good and workmanlike manner and shall conform to all applicable governmental codes, laws and regulations in force at the time such work is completed. Without limiting the generality of the foregoing, Landlord shall be responsible for compliance of Landlord's TI Work with the requirements of the Americans with Disabilities Act and all similar or related requirements pertaining to access by persons with disabilities, but nothing in this sentence shall be construed to make Landlord responsible for bearing the cost of any such compliance, to the extent the compliance work is reasonably attributable to or related to the particular nature or design of the Tenant Improvements or is for any other reason expressly made Tenant's cost or responsibility under any applicable provision of the Lease or of this Workletter. Landlord shall have the right, in its sole discretion, to decide whether and to what extent to use union labor on or in connection with Landlord's Work, and shall use the TI General Contractor to construct all of Landlord's TI Work, Landlord and Tenant shall each have a right to approve all subcontractors engaged in connection with the construction of the Tenant Improvements and to review and approve all competitive bids for any elements of the Tenant Improvements, such approval in each instance not to be unreasonably withheld, conditioned or delayed by either party.

(g) Changes.

(i) If Landlord determines at any time that changes in the Final TI Working Drawings or in any other aspect of the Approved TI Plans relating to any Landlord's TI Work are required as a result of applicable law or governmental requirements, or are required at the Insistence of any other third party whose approval may be required with respect to the Tenant Improvements, or are required as a result of unanticipated conditions encountered in the course of construction, then Landlord shall promptly (A) advise Tenant of such circumstances and (B) cause revised Approved TI Plans and/or Final TI Working Drawings, as applicable, reflecting such changes to be prepared by the TI Architect and submitted to Tenant for Tenant's Information, review and approval, which approval shall not be unreasonably withheld, conditioned or delayed, Landlord shall concurrently notify Tenant of any estimated additional cost or delay associated with such proposed changes. Notwithstanding the foregoing provisions, Tenant shall not have the right to disapprove any such changes necessitated by applicable law or as a condition of any required governmental or other third-party approvals or consents or as a result of unanticipated conditions, but to the extent Tenant identifies to Landlord any concerns arising out of any such requirements, conditions or changes described in this sentence, Landlord and Tenant shall cooperate reasonably, diligently and in good faith to discuss possible changes in the nature or scope of the Tenant Improvements that might minimize or avoid the effects of such requirements, conditions or changes. Upon completion of any changes in the Approved TI Plans approved or deemed approved by Landlord and Tenant as a result of the circumstances and processes described in the preceding sentences, the Approved TI Plans shall be deemed to be modified accordingly. Landlord shall have no liability or responsibility for any costs or cost increases incurred by Tenant as a result of such required changes.

(ii) If Tenant at any time desires any changes, alterations or additions to the Approved TI Plans with respect to any of the Tenant improvements, Tenant shall submit a detailed written request to Landlord specifying such changes, alterations or additions (a "**Tenant Change Request**"). Upon receipt of any such request, Landlord shall promptly notify Tenant of (A) whether the matters proposed in the Tenant Change Request are approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed by Landlord), (B) Landlord's estimate of the number of days of delay, if any, which shall be caused by such Tenant Change Request if implemented (including, without limitation, delays due to the need to obtain any revised plans or drawings and any governmental approvals), and (C) Landlord's estimate of the increase, if any, which shall occur in the Cost of Improvement for the items or components affected by such Tenant Change Request if such Tenant Change Request is implemented (including, but not limited to, any costs of compliance with laws or governmental regulations that become applicable because of the Implementation of the Tenant Change Request), If Landlord approves the Tenant Change Request and Tenant notifies Landlord in writing, within five (5) business days after receipt of such notice of approval from Landlord, of Tenant's approval of the Tenant Change Request (including the estimated delays and cost increases, if any, described in Landlord's notice), (then Landlord shall cause such Tenant Change Request to be implemented and Tenant shall be responsible for all actual costs or cost increases and all actual schedule delays (if any) resulting from or attributable to the implementation of the Tenant Change Request, subject to the application of the Tenant Improvement Allowance, If Tenant fails to notify Landlord in writing of Tenant's approval of such Tenant Change Request within said five (5) business day period, then such Tenant Change Request shall be deemed to be withdrawn and shall be of no further effect.

(iii) If Tenant at any time desires to make any changes, alterations or additions to the approved plans for any other Tenant's Work as described in Paragraph 2(c) above, such changes, alterations or additions shall be presented to Landlord and shall be subject to approval by Landlord in the same manner as the original plans submitted to and approved by Landlord pursuant to such Paragraph 2(c).

(h) Project Management. Unless and until revoked by Landlord by written notice delivered to Tenant, Landlord hereby (i) delegates to Project Manager the authority to oversee the design and manage the construction of the Tenant Improvements on behalf of Landlord and to exercise all approval rights, supervisory rights and other rights and powers of Landlord under this Workletter with respect to the design and construction of the Tenant Improvements, and (ii) requests that Tenant work with Project Manager with respect to any and all logistical or other coordination matters arising in the course of design and construction of the Tenant Improvements, in which regard Project Manager's role on behalf of Landlord may include (but need not be limited to) facilitating and assisting in coordination between teams performing the Base Building portion of Landlord's Work and teams constructing the Tenant Improvements, managing the TI General Contractor, reviewing and processing requests for disbursement of the Tenant Improvement Allowance, and monitoring Landlord's and Tenant's performance of their respective obligations under this Workletter and under the Lease in connection with the design and construction of the Tenant Improvements. Tenant acknowledges the foregoing delegation and request, and agrees to cooperate reasonably with Project Manager as Landlord's representative pursuant to such delegation and request Landlord shall be fully liable and responsible for all acts and omissions of Project Manager and for the payment and performance of all of Landlord's obligations under the Lease and under this Workletter, notwithstanding such delegation of authority to Project Manager; however. Landlord's engagement of Project Manager and delegation of authority to Project Manager for the management services described in this paragraph shall not cause Landlord to incur or be subject to any additional or broader obligations or responsibilities for construction and delivery of the Tenant Improvements than those obligations and responsibilities that are expressly documented or assigned to Landlord elsewhere in the Lease or in this Workletter. Project Manager's fees for its services on behalf of Landlord in connection with the Tenant Improvements shall be charged at the rate of Three Dollars (\$3.00) per square foot of space in the Premises (determined in accordance with Section 3.1(c) of the Lease) and shall be charged against the Tenant Improvement Allowance, and Landlord shall not charge Tenant or the Tenant Improvement Allowance for any other supervisory or review costs with respect to the design or construction of the Tenant Improvements, except to the extent [if any] that any increase in Project Manager's fees is expressly provided for under or included in the cost provisions of an approved Tenant Change Request.

### 3. Completion.

(a) When Landlord receives written certification from the TI Architect that construction of Landlord's TI Work has been substantially completed in accordance with the Approved TI Plans (except for Punch List Work), Landlord shall prepare and deliver to Tenant a certificate signed by both Landlord and the TI Architect (the "**TI Substantial Completion Certificate**") certifying that the construction of Landlord's TI Work has been substantially completed in accordance with the Approved TI Plans and this Workletter in all material respects, subject only to completion of Punch List Work, and specifying the date of that completion. To the extent the construction of Landlord's Larc Work (as defined in the Lease) takes longer than construction of the balance of Landlord's TI Work, the TI Substantial Completion Certificate may be submitted upon substantial completion of all of Landlord's TI Work other than Landlord's Larc Work, and a separate substantial completion certificate with respect to Landlord's Larc Work (the "**Larc Substantial Completion Certificate**") may be submitted at such later time as Landlord's Larc Work is substantially completed in accordance with the Approved TI Plans and this Workletter in all material respects, subject to completion of Punch List Work.

(b) Promptly following delivery of the TI Substantial Completion Certificate and/or Larc Substantial Completion Certificate for the respective portions of Landlord's TI Work, Project Manager or other representatives of Landlord shall conduct one or more "walkthroughs" of the Premises with Tenant and Tenant's representatives, to identify any items of Punch List Work that may require correction and to prepare a joint punch list reflecting any such items, following which Landlord shall diligently complete

the Punch List Work reflected in such joint punch list. At any time within forty-five (45) days after delivery of the applicable Substantial Completion Certificate, Tenant shall be entitled to submit one or more lists to Landlord supplementing such joint punch list by specifying any additional items of Punch List Work to be performed on the applicable Landlord's TI Work, and upon receipt of such list(s), Landlord shall diligently complete such additional Punch List Work. All completion of Punch List Work by Landlord shall be part of the Cost of Improvement for the applicable Tenant Improvements and shall be at Tenant's expense, subject to application of the Tenant Improvement Allowance and subject to any other applicable provisions of this Workletter making any specific item of expense or cost the responsibility of Landlord. Promptly after Landlord provides Tenant with the applicable Substantial Completion Certificates and completes all applicable Punch List Work for the Premises, Landlord shall cause the recordation of a Notice of Completion (as defined in Section 3093 of the California Civil Code) with respect to Landlord's Work in the Premises.

(c) Effective upon delivery of the applicable Substantial Completion Certificates and delivery of the Premises by Landlord to Tenant, and subject to completion of any Punch List Work as described above, Landlord warrants to Tenant as follows: (i) Landlord's TI Work has been constructed in a good and workmanlike manner, using new materials of good quality (except to the extent, if any, that reuse of existing materials is expressly provided for in the Approved TI Plans), and in accordance with the Approved TI Plans in all material respects (provided that except with respect to Punch List Items, which shall be governed by Paragraph 3(b) above, and except with respect to latent defects, Tenant's failure to notify Landlord in writing regarding any alleged defects in the Landlord's TI Work (x) in the case of elements of Landlord's TI Work which constitute new construction with new materials, within one (1) year after delivery of the applicable Substantial Completion Certificate for such Landlord's TI Work, and (y) in the case of elements of Landlord's TI Work which constitute re-use of existing materials from the Premises as they existed prior to commencement of Landlord's TI Work, within one hundred eighty (180) days after delivery of the applicable Substantial Completion Certificate for such Landlord's TI Work, shall in each such respective case give rise to a conclusive and irrebuttable presumption that the applicable portion of Landlord's TI Work complies with the warranty set forth in this clause (i) in all respects); and (ii) Landlord's TI Work complies with all laws, rules, regulations, codes, ordinances, requirements, covenants, conditions and restrictions applicable thereto at the time of such delivery, Landlord shall cooperate with Tenant in a commercially reasonable manner to assist in enforcing, for the benefit of Tenant, all construction, product and equipment warranties and guaranties obtained by Landlord with respect to any element of Landlord's TI Work, TENANT ACKNOWLEDGES THAT THE WARRANTIES AND OBLIGATIONS CONTAINED IN THIS PARAGRAPH 3 AND IN SECTION 2.3 OF THE LEASE (TO THE EXTENT APPLICABLE TO LANDLORD'S TI WORK) ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO LANDLORD'S TI WORK, AND THAT LANDLORD MAKES NO OTHER WARRANTIES WITH RESPECT TO LANDLORD'S TI WORK EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 3 OR IN SECTION 2.3 OF THE LEASE (TO THE EXTENT APPLICABLE TO LANDLORD'S TI WORK). Notwithstanding anything to the contrary in the Lease, in the Acknowledgment of Rent Commencement Date attached to the Lease, or in this Workletter, Tenant's acceptance of the Premises shall not be deemed a waiver of the Landlord warranties and obligations set forth in this Paragraph 3 or in Section 2.3 of the Lease, and subject to the provisions of Paragraph 3(b) above with respect to Punch List Work, Landlord shall promptly repair or cause to be repaired all violations of the warranties and obligations set forth in this Paragraph 3(c) at Landlord's sole cost and expense.

(d) Notwithstanding any other provisions of this Workletter or of the Lease, if Landlord is actually delayed in substantially completing any of Landlord's Work as a proximate result of any Tenant Delay, and if such delay results in any actual delay in the Rent Commencement Date as determined under Section 2.1(a) of the Lease, then notwithstanding any other provisions of Section 2.1(a) of the Lease to the contrary, the amount of any actual delay in substantial completion of Landlord's TI Work directly and

proximately attributable to such Tenant Delay shall be ignored in calculating the Rent Commencement Date, and the Rent Commencement Date shall instead be deemed to occur on the date it would have otherwise occurred without the period of actual delay directly and proximately attributable to such Tenant Delay,

#### 4. Payment of Costs.

(a) Landlord's Work. Except as otherwise expressly provided in this Workletter, in the Lease or by mutual written agreement of Landlord and Tenant, (i) the cost of design and construction of Landlord's TI Work shall be at Tenant's sole cost and expense, including any costs or cost increases incurred as a result of Unavoidable Delays, governmental requirements or unanticipated conditions, subject to application of the Tenant Improvement Allowance in accordance with this Workletter; and (ii) the cost of design and construction of Landlord's Section 2.3 Work shall be at Landlord's sole cost and expense, including any costs or cost increases incurred as a result of Unavoidable Delays, governmental requirements or unanticipated conditions. To the extent the estimated entire amount that Landlord is committed to pay (under contracts and obligations in effect from time to time) with respect to Landlord's TI Work exceeds the net Tenant Improvement Allowance available pursuant to this Workletter, the excess Cost of Improvements for Landlord's TI Work, over and above the Tenant Improvement Allowance, shall be payable by Tenant on a pro rata basis as illustrated in the diagram attached hereto as **Schedule B-4** and incorporated herein by this reference (the "**TI Allowance Disbursement Diagram**"). To the extent the final net Cost of Improvement with respect to Landlord's TI Work is not covered by the Tenant Improvement Allowance plus any payments made by Tenant from time to time during the course of construction, the remaining balance of the final net Cost of Improvement of Landlord's TI Work shall be reimbursed by Tenant to Landlord in cash within thirty (30) days after final completion of Landlord's TI Work (including any applicable Punch List Work), subject to the provisions of subparagraph (e) below.

(b) Tenant's Work. Subject to any restrictions, conditions or limitations expressly set forth in this Workletter or in the Lease or as otherwise expressly provided by mutual written agreement of Landlord and Tenant, the cost of construction of the Tenant Improvements shall be paid or reimbursed by Landlord up to a maximum contribution by Landlord equal to One Hundred Twenty-Five Dollars (\$125.00) per square foot times the square footage of the Premises is determined pursuant to Section 3.1(c) of the Lease, or approximately Five Million Seven Hundred Nine Thousand Seven Hundred Fifty Dollars (\$5,709,750) in total (such maximum amount, the "**Tenant Improvement Allowance**"), less any reduction in or charge against such sums pursuant to any applicable provisions of the Lease or of this Workletter. Except as Otherwise expressly provided in this Workletter, in the Lease or by mutual written agreement of Landlord and Tenant, Tenant shall be responsible, at its sole cost and expense, for payment of the entire Cost of Improvements of the Tenant Improvements in excess of the Tenant Improvement Allowance, including (but not limited to) any costs or cost increases incurred as a result of Unavoidable Delays, governmental requirements or unanticipated conditions, but Tenant shall be entitled to use or apply the entire Tenant Improvement Allowance for the Tenant Improvements (subject to any applicable restrictions, conditions, limitations, reductions or charges as described above) prior to being required to expend any of Tenant's own funds on an unreimbursed basis for the Tenant Improvements. The funding of the Tenant Improvement Allowance shall be made on a monthly basis or at other convenient intervals mutually approved by Landlord and Tenant and in all other respects shall be based on such commercially reasonable disbursement conditions and procedures as Landlord, Project Manager and Landlord's lender (if any) may reasonably prescribe (which conditions may include, without limitation, delivery of invoices and/or other evidence reasonably satisfactory to Landlord or Project Manager that Landlord or Tenant, as applicable, has expended or incurred expenses for the design and construction of Tenant Improvements for which the Tenant Improvement Allowance is eligible to be expended or applied, and delivery of conditional or unconditional hen releases from all parties performing the applicable work), which procedures shall (without limitation) be generally consistent with the TI Allowance Disbursement

Diagram. Since the parties intend that Landlord will perform most (if not all) of the Tenant Improvements and will hold the contracts for the same, Landlord will generally make direct payment of amounts due to the TI General Contractor, the TI Architect and others under applicable contracts and will charge such payments against the Tenant Improvement Allowance, but prior to making any such payments, Landlord will first present Tenant with a copy of the full "draw request package" (including invoices, certifications, lien releases and similar items substantially comparable to the documentation that would be required from Tenant with respect to any funding of portions of the Tenant Improvement Allowance to be applied to Tenant's Work, If any) and will request Tenant's approval (not to be unreasonably withheld, conditioned or delayed) of the proposed disbursements. To the extent Tenant objects to any such proposed disbursements, Landlord shall still be entitled to make payments to the extent Landlord in its sole discretion determines that such payment is required or appropriate, but amounts not approved by Tenant (so long as such approval is not unreasonably withheld or conditioned) shall not be chargeable against the Tenant Improvement Allowance, Notwithstanding the foregoing provisions, (i) under no circumstances shall the Tenant Improvement Allowance or any portion thereof be used or useable for any moving or relocation expenses of Tenant, or for any Cost of Improvement (or any other cost or expense) associated with any moveable furniture, trade fixtures, personal property or any other item or element which, under the applicable provisions of the Lease, will not become Landlord's property and remain with the Building upon expiration or termination of the Lease, and (ii) any portion of the Tenant Improvement Allowance which has not been claimed or drawn by Tenant within eighteen (18) months after the Rent Commencement Date shall expire and shall no longer be available to Tenant thereafter,

(c) Upon completion of Landlord's TI Work, Landlord shall submit promptly to Tenant a final and detailed accounting of the Cost of Improvements for Landlord's TI Work, and of the disbursement of the Tenant Improvement Allowance, At any time within three (3) months after receipt of such accounting, Tenant shall be entitled, upon reasonable written notice to Landlord and during normal business hours at Landlord's office, at Project Manager's office or at such other place or places in the Bay Area as Landlord may reasonably designate, to inspect and examine the books, records and supporting documents of Landlord and Project Manager relating to the construction of Landlord's TI Work and the disbursement of the Tenant Improvement Allowance, to the extent reasonably necessary to determine the accuracy of such accounting, During the same period Tenant may also elect, by written notice to Landlord, to request an independent audit of such books and records. Any such independent audit shall be conducted by a certified public accountant reasonably acceptable to both Landlord and Tenant or, if the parties are unable to agree, by a certified public accountant appointed by the Presiding Judge of the San Mateo County Superior Court upon the application of either Landlord or Tenant (with notice to the other party). In either case, such certified public accountant shall be one who is not then employed in any capacity by Landlord or Tenant or any of their respective affiliates. If it is determined, by mutual agreement of Landlord and Tenant or by independent audit, that the Cost of Improvement for Landlord's TI Work or the amount disbursed by Landlord from the Tenant Improvement Allowance was incorrect, then the appropriate party shall make an appropriate corrective payment within thirty (30) days after the final determination thereof. All costs and expenses of the audit shall be paid by Tenant unless the audit shows that Landlord overstated the Cost of Improvements for Landlord's TI Work by more than five percent (5%), in which event Landlord shall pay all costs and expenses of the audit. Each party agrees to maintain the confidentiality of the findings of any audit in accordance with the provisions of this paragraph (c).

5. Tenant's Work. Tenant shall construct and install Tenant's Work (if any) substantially in accordance with the plans and specifications approved by Landlord for such work. Tenant's Work shall be performed in accordance with, and shall in all respects be subject to, the terms and conditions of the Lease (to the extent not inconsistent with this Workletter), and shall also be subject to the following conditions:

(a) Contractor Requirements. The contractor engaged by Tenant for Tenant's Work, and any subcontractors, shall be duly licensed in California and shall be subject to Landlord's prior written approval (in accordance with, and to the extent provided in, Paragraph 1(t) above). Tenant shall engage only union contractors for the construction of Tenant's Work and for the installation of Tenant's fixtures and equipment in the Building, and shall require all such contractors engaged by Tenant, and all of their subcontractors, to use only union labor on or in connection with such work, except to the extent Landlord determines, in its reasonable discretion, that the use of non-union labor would not create a material risk of labor disputes, picketing or work interruptions at the Center, in which event Landlord shall, to that extent, waive such union labor requirement at Tenant's request.

(b) Costs and Expenses of Tenant's Work. Subject to Landlord's payment or reimbursement obligations under this Workletter and the Lease, Tenant shall promptly pay all costs and expenses arising out of the performance of Tenant's Work (including the costs of permits) and shall furnish Landlord with evidence of payment on request. Tenant shall provide Landlord with ten (10) days prior written notice before commencing any Tenant's Work. On completion of Tenant's Work, Tenant shall deliver to Landlord a release and unconditional lien waiver executed by each contractor, subcontractor and materialman involved in the design or construction of Tenant's Work.

(c) Tenant's Indemnification. Tenant shall indemnify, defend (with counsel reasonably satisfactory to Landlord) and hold Landlord harmless from all suits, claims, actions, losses, costs and expenses (including, but not limited to, claims for workers' compensation, attorneys' fees and costs) based on personal injury or property damage or contract claims (including, but not limited to, claims for breach of warranty) arising from the performance of Tenant's Work, except to the extent (i) any such claims or matters arise from (A) negligence or willful misconduct or omission by Landlord or its agents, employees or contractors or (B) Landlord's material breach of its obligations under this Workletter or the Lease, or (ii) any such specific items of costs or expenses are expressly made the responsibility of Landlord under any other applicable provisions of this Workletter (provided that the exception set forth in this clause (ii) shall not apply to the extent the applicable items of costs or expenses would not have arisen or been incurred except for the negligence or willful misconduct or omission of Tenant or its agents, employees or contractors). Subject to Section 10.4 of the Lease, Tenant shall repair or replace (or, at Landlord's election, reimburse Landlord for the cost of repairing or replacing) any portion of Landlord's Work and/or any of Landlord's real or personal property or equipment that is damaged, lost or destroyed in the course of or in connection with the performance of Tenant's Work.

(d) Insurance. Tenant's contractors shall obtain and provide to Landlord certificates evidencing workers' compensation, public liability and property damage insurance in amounts and forms and with companies reasonably satisfactory to Landlord, and Tenant shall provide to Landlord certificates evidencing Tenant's compliance with the insurance requirements of Article 10 of the Lease (except to the extent any such requirements by their terms are clearly relevant only after Tenant's commencement of business operations on the Premises), including, without limitation, the requirements of Section 10.1(f) of the Lease with respect to builder's risk insurance on any Tenant Improvements being constructed by Tenant as part of Tenant's Work. In addition, to the extent Landlord or Project Manager advises Tenant of any specific insurance requirements with respect to Tenant's Work that are commercially reasonable and customary during a "course of construction" period (such as, but not limited to, designation of specified "additional insureds" who would not ordinarily be required to be named in that capacity during the Lease term under Article 10 of the Lease), Tenant shall comply and/or cause its contractors to comply, as applicable, with such additional requirements.

(e) Rules and Regulations. Tenant and Tenant's contractors shall comply with any other rules, regulations and requirements that Landlord or Project Manager or Landlord's General Contractor or the TI General Contractor may reasonably impose with respect to the performance of Tenant's Work, Tenant's agreement with Tenant's contractors shall require each contractor to provide daily cleanup of the construction area to the extent that such cleanup is necessitated by the performance of Tenant's Work.

(f) Risk of Loss. All materials, work, installations and decorations of any nature brought onto or installed in the Premises, by or at the direction of Tenant or in connection with the performance of Tenant's Work, prior to the Rent Commencement Date shall be at Tenant's risk, and neither Landlord nor any party acting on Landlord's behalf shall be responsible for any damage, loss or destruction thereof from any cause whatsoever other than negligence or willful misconduct or omission by Landlord or its agents, employees or contractors.

(g) Condition of Tenant's Work. All work performed by Tenant shall be performed in a good and workmanlike manner, and shall be completed in compliance with the plans approved by Landlord for such Tenant's Work in all material respects and in compliance with all applicable governmental laws, ordinances, codes and regulations in force at the time such work is completed. Without limiting the generality of the foregoing, Tenant shall be responsible for compliance of all Improvements designed and constructed by Tenant with the requirements of the Americans with Disabilities Act and all similar or related requirements pertaining to access by persons with disabilities,

6. No Agency. Nothing contained in this Workletter shall make or constitute Tenant as the agent of Landlord.

7. Survival. Without limiting any survival provisions which would otherwise be implied or construed under applicable law, the provisions of Paragraph 5(e) of this Workletter shall survive the termination of the Lease with respect to matters occurring prior to expiration of the Lease.

8. Miscellaneous. All references in this Workletter to a number of days shall be construed to refer to calendar days, unless otherwise specified herein. In all instances where Landlord's or Tenant's approval is required, if no written notice of disapproval is given within the applicable time period, at the end of that period Landlord or Tenant, as applicable, shall be deemed to have given approval (unless the provision requiring Landlord's or Tenant's approval expressly states that non-response is deemed to be a disapproval or withdrawal of the pending action or request, in which event such express statement shall be controlling over the general statement set forth in this sentence) and the next succeeding time period shall commence. If any item requiring approval is disapproved by Landlord or Tenant (as applicable) in a timely manner, the procedure for preparation of that Item and approval shall be repeated.

*[rest of page intentionally left blank]*

“Landlord”

“Tenant”

SLOUGH REDWOOD CITY, LLC, a  
Delaware limited liability company

ONCOMED PHARMACEUTICALS, INC., a  
Delaware corporation

By: Slough Estates USA Inc., a Delaware  
corporation, Its Manager

By: /s/ Paul J. Hastings

Its: President & CEO

By: /s/ Jonathan M. Bergschneider  
Jonathan M. Bergschneider  
Vice President

Attachments:

- Schedule B-1 800 Chesapeake Base Building
- Schedule B-2 800 Chesapeake Tenant Improvements
- Schedule B-3 Construction Schedule (preliminary)
- Schedule B-4 TI Allowance Disbursement Diagram

**Schedule B-1 to Workletter**  
**800 CHESAPEAKE BASE BUILDING**

The “**Base Building**” as defined in the Workletter to which this **Schedule B-1** is attached shall consist of the following:

Existing building envelope and waterproofing (the Budding “shell”), except as specifically indicated as being included in Tenant Improvements under **Schedule B-2**, including; reinforced grade beam foundation on precast concrete piles; ground floor is a reinforced structural concrete slab supported by precast concrete piles; elevated floors consist of metal decking with concrete topping slab; roof structure consists of glulam beams and girders with plywood sheathing; visual mechanical roof screen; roof membrane to be new built-up system, flashing and sealants; building structural framing consists of open web steel joists, girders, columns with a non-bearing exterior E1FS and curtain wall; seismic system utilizing steel braced frames; root live load is 20 PSF; floor to floor heights of 14 feet, all floors

New Service Annex including foundations, structure, enclosure and waterproofing. This Includes base building life safety systems (electrical, mechanical, fire protection, and plumbing systems) required by code, The Service Annex floor is designed for 100 PSP uniform live load capacity (reducible as allowed by code) plus the weight of “normal” lab mechanical equipment. The Service Annex roof is designed for 20 PSF uniform live load capacity (reducible as allowed by code) plus the weight of “normal” lab mechanical equipment

New structural foundation and visual screen walls for emergency generator/chemical storage enclosure

Existing ground floor designed for 150 PSP uniform live load capacity (reducible as allowed by code)

Existing second floor designed for 100 PSP uniform live load capacity (reducible as allowed by code)

Existing building entrances (including modifications: for ADA compliance, if any)

Existing stairs, including ADA required modifications

Existing exterior paving, hardscape and landscape, including modifications for ADA compliance, if any

Existing site underground water, fire, storm, and sanitary service

Existing building storm and overflow drainage systems. Existing site underground conduits for electrical and communication, including the existing electrical utility pad, existing PG&E pad mounted transformer (300 kva), and the existing five 5” primary service conduits terminated at the existing building switchgear (1600 amp rated)

Existing gas service up to exterior meter location as Building (including existing meter)

Existing wet fire protection (risers, loops, branches and heads), evenly distributed for “ordinary hazard” occupancy

Shell modification (including Service Annex) design and permitting fees, except as specifically included in Tenant Improvements under **Schedule B-2**

Existing underslab sanitary waste main trunk line and branch distribution

Existing toilet room cores

Schedule B-1 to Workletter

**Schedule B-2 to Workletter**  
**800 CHESAPEAKE TENANT IMPROVEMENTS**

The “**Tenant Improvements**” as defined in the Workletter to which this **Schedule B-2** is attached will include, but not necessarily be limited to, the following:

All tenant construction, design fees, fixtures, furnishings, etc. to support tenant operations, including use space, offices, lobbies, circulation, restrooms and all other features not specifically indicated as part of the Building Shell in **Schedule B-1**. **Although included in the definition of Tenant Improvements, use of TI Allowance for furniture, fixtures or personal property is not permitted.**

Additions and modifications to the new Service Annex, including emergency generator and associated conduits, chemical storage cabinets, eyewash facilities and associated utilities, cage wash equipment and utilities

Interior demolition required for TI construction

ADA modifications triggered by TI construction (subject to any specific provisions of the Workletter or the Lease providing for a different allocation of ADA compliance costs)

Exterior Building skin modifications to support TI systems (e.g., louvers for HVAC equipment)

Topical emission barriers on slabs, if required

Slab depressions for special finishes or special uses (including cage wash area)

Enhancement of structure for live loading above designed maximums or vibration control criteria

Modification of structure for openings at floors and roof

Modification or repair of structure required by TI construction

All minor support structures for ducts, conduits, pipes, etc. required by TI

Additional stairs, stair enclosures, handrails and guardrails (if required by TI design)

New exterior wall insulation, if required by TI modifications

New firesafing at floor decks, exterior walls and interior openings, if required by TI modifications

Custom doors

Security or other upgrades to existing exterior doors

Supporting structures/platforms/sleepers, etc. for rooftop equipment, ducts, plumbing, electrical, etc., related to Tenant Improvements

Roof patching for all penetrations relating to Tenant Improvements

Skylights, if installed, including curbs, roof patching, etc.

Additional elevators, if required by Tenant

Schedule B-2 to Workletter

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Shaft walls or other fire separations required for vertical openings (stairs, elevators) or control zones

New distribution/laterals from sanitary waste main trunk line required by TI

New lab waste main trunk line and distribution/laterals required by TI

Upsized gas meter and piping from gas meter to Building areas, if required by TI

Modifications/enhancements to wet fire protection systems required by TI design

Modifications to fire alarm systems

Signal and security systems

Modifications or upsizing of primary electrical service (from existing 1600 amp service)

Modifications and additions to all secondary electrical service for Tenant demand loads, including main service disconnect, Tenant meter section and distribution panels

Standby electrical generator, transfer switch and conduits, if required

All communications wire and service not specifically included in Building Shell

All TI design fees and reimbursables

All other "soft" costs, including TI permit fees, project management fees, utility company charges, temporary utilities during TI construction, etc.

All testing and inspection of TI construction

Builders risk insurance for TI construction

Schedule B-2 to Workletter

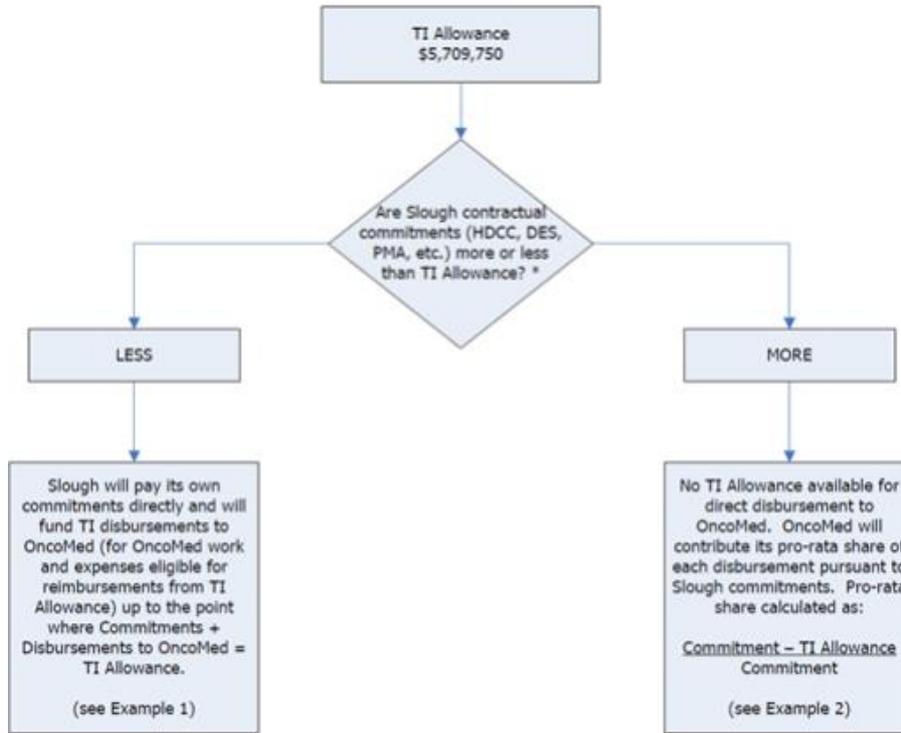
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**Schedule B-3 to Workletter**  
**Construction Schedule (Preliminary)**

[Provided separately.]

Schedule B-3 to Workletter

Schedule B-4



\* Note: To the extent Slough commitments are later increased (due to Tenant Change Requests, for example), these numbers will need to be recalibrated and the project may even move from the "LESS" to the "MORE" category.

Example 1

HDCC:	\$5,100,000	
DES:	\$ 340,000	
PMA:	\$ 130,000	
	\$5,570,000	= Commitments
	\$5,709,750	= TI Allowance

Slough funds 100% of its commitments plus \$139,750 of approved invoices submitted by OncoMed.

Example 2

HDCC:	\$5,500,000	
DES:	\$ 340,000	
PMA:	\$ 130,000	
	\$5,970,000	= Commitments
	\$5,709,750	= TI Allowance

---

OncoMed pro-rata share of commitments =  $\frac{\$5,970,000 - \$5,709,750}{\$5,970,000} = 4.36\%$

Therefore, OncoMed would contribute 4.36% of each payment application for the commitments and would fund 100% of all expenditures incurred directly by OncoMed.

Schedule B-4 to Workletter

**EXHIBIT C**

**ACKNOWLEDGMENT OF RENT COMMENCEMENT DATE**

This Acknowledgment is executed as of \_\_\_\_\_, 200\_\_\_\_, by SLOUGH REDWOOD CITY, LLC, a Delaware limited liability company ("**Landlord**"), and ONCOMED PHARMACEUTICALS. INC., a Delaware corporation ("**Tenant**") pursuant to Section 2.4 of the Lease dated May 30, 2006 between Landlord and Tenant (the "**Lease**") covering premises located at 800 Chesapeake Drive, Redwood City, CA 94063 (the "**Premises**").

Landlord and Tenant hereby acknowledge and agree as follows:

1. The Rent Commencement Date under the Lease is \_\_\_\_\_, 200\_\_\_\_.
2. The termination date under the Lease shall be \_\_\_\_\_, 20\_\_\_\_, subject to any applicable provisions of the Lease for extension or early termination thereof.
3. The square footage of the Premises (including allocable portions of the Service Annex, as defined in the Lease) is \_\_\_\_\_ square feet.
4. Tenant accepts the Premises, subject only to Landlord's warranties, representations and obligations expressly set forth in Section 2.3 of the Lease and in the Work letter (as defined in the Lease).

EXECUTED as of the date first set forth above.

"Landlord"

"Tenant"

SLOUGH REDWOOD CITY, LLC, a  
Delaware limited liability company

ONCOMED PHARMACEUTICALS, INC.,  
a Delaware corporation

By: Slough Estates USA Inc., a Delaware  
corporation, Its Manager

By: \_\_\_\_\_

By: \_\_\_\_\_  
Jonathan M. Bergschneider  
Vice President

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT C TO LEASE**

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**EXHIBIT D**

**FORM OF WARRANT**

[Provided Separately.]

**EXHIBIT D TO LEASE**

## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment") is dated as of November \_\_, 2006 and is entered into between SLOUGH REDWOOD CITY, LLC, a Delaware limited liability company ("Landlord") and ONCOMED PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"), with reference to the following facts:

### Recitals

A. Landlord and Tenant are parties to a Lease dated as of May 30, 2006 (the "Lease"), covering the building commonly known as 800 Chesapeake Drive (the "Building") in the Britannia Seaport Centre in Redwood City, California.

B. Landlord and Tenant wish to modify certain provisions of the Lease and certain of their respective rights and obligations thereunder, all as more particularly set forth in this First Amendment. This First Amendment modifies and amends the Lease and supersedes any inconsistent provisions of the Lease with respect to the matters covered by this First Amendment.

C. Capitalized terms used in this First Amendment as defined terms but not specifically defined in this First Amendment shall have the meanings assigned to such terms in the Lease.

### Agreement

NOW, THEREFORE, in consideration of the mutual agreements contained in this First Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows, effective upon their mutual execution of this First Amendment:

1. Rent Adjustment. Nothing in this First Amendment shall modify or affect Tenant's obligation for payment of Tenant's Operating Cost Share of Operating Expenses with respect to the Building pursuant to the terms of the Lease. The minimum rental provisions set forth in Section 3.1(a) of the Lease are amended to provide that for the period commencing on the Rent Commencement Date and ending two (2) months later (the "Abatement Period"), Tenant's minimum monthly rental obligation under Section 3.1(a) of the Lease shall be zero (\$0.00) [i.e., no minimum monthly rental due for those two months]. The remaining minimum monthly rental schedule in Section 3.1(a) of the Lease remains in full force and effect, and nothing in this First Amendment shall modify or affect in any way (a) Tenant's obligation for payment of any other amounts (such as, but not limited to, utilities, personal property taxes, and Tenant's Operating Cost Share of Operating Expenses with respect to the Building) for any period under the Lease, with the sole exception of the minimum monthly rent adjustment for the Abatement Period as set forth above, or (b) the calculation of the duration, term or expiration date of the Lease.

2. Brokers. Each party respectively (i) represents and warrants that no broker participated in the consummation of this First Amendment and (ii) agrees to indemnify, defend and hold the other party harmless against any liability, cost or expense, including (but not limited to) reasonable attorneys' fees, arising out of any claims for brokerage commissions or other similar compensation in connection with any conversations, prior negotiations, agreements or other dealings by the indemnifying party with any broker in connection with this First Amendment.

3. Entire Agreement. This First Amendment constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all prior negotiations, discussions, terms sheets, understandings and agreements, whether oral or written, between the parties with respect to such subject matter (other than the Lease itself, as expressly amended hereby).

4. Execution and Delivery. This First Amendment may be executed in one or more counterparts and by separate parties on separate counterparts, effective when each party has executed at least one such counterpart or separate counterpart, but each such counterpart shall constitute an original and all such counterparts together shall constitute one and the same instrument.

5. Full Force and Effect. Except as expressly set forth herein, the Lease has not been modified or amended and remains in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment as of the date first set forth above.

“Landlord”

“Tenant”

SLOUGH REDWOOD CITY, LLC, a  
Delaware limited liability company

ONCOMED PHARMACEUTICALS, INC.,  
a Delaware corporation

By: Slough Estates USA Inc., a Delaware  
corporation, Its Manager

By: /s/ Authorized Signatory

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

By: /s/ Jonathan M. Bergschneider

Title: \_\_\_\_\_

Name: Jonathan M. Bergschneider

Title: Vice President

EXHIBIT C

ACKNOWLEDGMENT OF RENT COMMENCEMENT DATE

This Acknowledgment is executed as of March 9th, 2007, by SLOUGH REDWOOD CITY, LLC, a Delaware limited partnership ("**Landlord**"), and ONCOMED PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**"), pursuant to Section 2.4 of the Lease dated May 30, 2006 between Landlord and Tenant, and as amended on November 30, 2006 in a First Amendment to the Lease (collectively, the "**Lease**") covering premises located at 800 Chesapeake Drive, Redwood City, CA 94063 (the "**Premises**").

Landlord and Tenant hereby acknowledge and agree as follows:

1. The Rent Commencement Date under the Lease is **February 7, 2007**.
2. The termination date under the Lease shall be **February 6, 2014**, subject to any applicable provisions of the Lease for extension or early termination thereof.
3. The square footage of the Premises is **45,690 square feet**.
4. Tenant accepts the Premises, subject only to Landlord's warranties, representations and obligations expressly set forth in Section 2.3 of the Lease and in the Workletter ( as defined in the Lease).

EXECUTED as of the date first set forth above.

"Landlord"

"Tenant"

SLOUGH REDWOOD CITY, LLC, a  
Delaware limited liability company

ONCOMED PHARMACEUTICALS,  
INC., a Delaware corporation

By: SLOUGH REDWOOD CITY,  
LLC, a Delaware corporation,  
Its General Partner

By: /s/ Authorized Signatory

Its: SVP Corporate Development

By: /s/ Jonathan M. Bergschneider

Jonathan M. Bergschneider  
Senior Vice President

By: /s/ Authorized Signatory

Its: SVP, R&D

## SECOND AMENDMENT TO OFFICE LEASE

This SECOND AMENDMENT TO OFFICE LEASE ("**Amendment**") is made and entered into as of December 22, 2010, by and between HCP LS REDWOOD CITY, LLC, a Delaware limited liability company ("**Landlord**"), and ONCOMED PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**").

### R E C I T A L S:

A. Landlord (as successor in interest to Slough Redwood City, LLC) and Tenant are parties to that certain Lease dated May 30, 2006 (the "**Lease**"), as amended by that certain First Amendment to Lease dated November, 2006 (the "**First Amendment**"), and that certain Acknowledgement of Rent Commencement Date dated as of March 9, 2007, pursuant to which Lease Tenant leases from Landlord approximately 45,690 rentable square feet of space (the "**Premises**") consisting of the entire building (the "**Building**") located at 800 Chesapeake Drive, in the Britannia Seaport Centre in Redwood City, California.

B. The parties desire to amend the Lease on the terms and conditions set forth in this Amendment.

### A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**1. Terms** . All capitalized terms when used herein shall have the same respective meanings as are given such terms in the Lease unless expressly provided otherwise in this Amendment.

**2. Condition of the Premises** . Commencing on January 1, 2011, Landlord shall provide Tenant with an improvement allowance equal to One Million Six Hundred Thousand Dollars (\$1,600,000) (the "**Tenant Improvement Allowance**") to be applied toward the construction of tenant improvements and other renovations to the Premises in accordance with the terms of the Tenant Work Letter attached hereto as **Exhibit A**. Except as expressly provided above, Tenant shall continue to accept the Premises in their currently existing "as-is" condition, and Landlord shall not be obligated to provide or pay for any work or services related to the improvement of the Premises.

**3. Extended Lease Term** . Pursuant to the Lease, the Lease Term is scheduled to expire on February 6, 2014. Landlord and Tenant hereby agree to extend the Lease Term for a period of five (5) years, to February 6, 2019 (the "**Extended Lease Term**"), on the terms and conditions set forth in this Amendment.

#### **4. Rent** .

**4.1 Base Rent** . Prior to February 6, 2012, Tenant shall continue to pay monthly installments of Base Rent for the Premises in accordance with the terms of Section 3.1(a) the Lease. Commencing on February 7, 2012, and continuing through the Extended Lease Term, Tenant shall pay monthly installments of Base Rent for the Premises as follows:

<u>Period During Extended Term</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>	<u>Monthly Rental Rate per Square Foot</u>
February 7, 2012 - February 6, 2013	\$1,781,910.00	\$148,492.50	\$ 3.25
February 7, 2013 - February 6, 2014	\$1,836,738.00	\$153,061.50	\$ 3.35
February 7, 2014 - February 6, 2015	\$1,891,566.00	\$157,630.50	\$ 3.45
February 7, 2015 - February 6, 2016	\$1,946,394.00	\$162,199.50	\$ 3.55
February 7, 2016 - February 6, 2017	\$2,006,704.80	\$167,225.40	\$ 3.66
February 7, 2017 - February 6, 2018	\$2,067,015.60	\$172,251.30	\$ 3.77
February 7, 2018 - February 6, 2019	\$2,127,326.40	\$177,277.20	\$ 3.88

4.2 **Additional Rent.** Prior to and during the Extended Term, Tenant shall continue to pay Tenant's Operating Cost Share of the Operating Expenses and all other monetary obligations of Tenant in accordance with the terms of the Lease.

5. **Option to Extend Term.** Tenant shall continue to have two (2) options to extend the term of the Lease as of the end of the Extended Term as provided in Section 2.6 of the Original Lease, provided that the Original Lease as it relates to such options is hereby amended as follows.

5.1 **Term of Extension.** The length of each such option term shall be three (3) years, and not five (5) years as provided in the Original Lease.

5.2 **Rental During Option Term.** The rental increases of "one hundred four percent (104%)" as provided in subsections (i) and (ii) of Section 3.1(b) of the Original Lease, are hereby amended to be rental increases of "one hundred three percent (103%)".

6. **Notices.** Landlord's address for Notices under Section 17.1 of the Lease shall be changed to the following:

if to Landlord: HCP LS Redwood City, LLC  
c/o HCP, Inc.  
3760 Kilroy Airport Way, Suite 300  
Long Beach, CA 90806  
Attention: Legal Department

and

HCP Life Science Estates  
400 Oyster Point Boulevard, Suite 409  
South San Francisco, CA 94080  
Attention: Jon Bergschneider

and

Allen Matkins Leck Gamble Mallory & Natsis LLP  
1901 Avenue of the Stars  
Suite 1800  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

**7. Broker.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Amendment other than CB Richard Ellis, Inc. (the "**Broker**"), representing both Landlord and Tenant, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Broker, occurring by, through, or under the indemnifying party. Landlord shall be responsible for all leasing commissions and/or equivalent compensation payable to the Broker in connection with this Amendment. The terms of this Section 7 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

**8. No Further Modification.** Except as specifically set forth in this Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

**“LANDLORD”**

HCP LS REDWOOD CITY, LLC,  
a Delaware limited liability company

By: /s/ Jonathan M. Bergschneider

Name: Jonathan M. Bergschneider

Its: SVP

**“TENANT”**

ONCOMED PHARMACEUTICALS, INC.,  
a Delaware corporation

By: /s/ Paul J. Hastings

Its: CEO & President

Date: 12/22/10

**EXHIBIT A**

**TENANT WORK LETTER**

This Tenant Work Letter shall set forth the terms and conditions relating to the initial improvement of the Premises for Tenant following the date of this Amendment. This Tenant Work Letter is essentially organized chronologically and addresses the issues of construction, in sequence, as such issues will arise during construction in the Premises.

**SECTION 1**

**CONDITION OF PREMISES**

Tenant acknowledges that Tenant has been occupying the Premises in accordance with the Lease, and shall continue to accept the Premises in their existing, "as-is" condition on the date of delivery thereof to Tenant. Except for the payment of the Tenant Improvement Allowance as provided in Section 2, below, Landlord shall have no obligation to make or pay for any improvements to the Premises.

**SECTION 2**

**TENANT IMPROVEMENTS**

2.1 **Tenant Improvement Allowance**. Commencing as of January 1, 2011, Tenant shall be entitled to use the "Tenant Improvement Allowance", as defined in Section 2 of this Amendment, for the costs relating to the design and construction of Tenant's improvements or which are otherwise "Tenant Improvement Allowance items," as that term is defined in Section 2.2.1, below (collectively, the "**Tenant Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter or otherwise in connection with Tenant's construction of the Tenant Improvements or any Tenant Improvement Allowance Items, as defined below, in a total amount which exceeds the sum of the Tenant Improvement Allowance. All Tenant Improvements for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of the Lease; provided, however, Landlord may, by written notice to Tenant given concurrently with Landlord's approval of the "Final Working Drawings", as that term is defined in Section 3.3, below, require Tenant, prior to the end of the Lease Term or promptly following any earlier termination of this Lease, at Tenant's expense, to remove any Tenant Improvements and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a Building standard general office condition; provided, however, that Landlord shall not require Tenant to remove upon termination or expiration of this Lease, or condition its approval upon Tenant's agreement to remove upon termination or expiration of this Lease, any Tenant Improvements constructed pursuant to this Tenant Work Letter (including, without limitation, Larc improvements) which constitute standard, non-extraordinary improvements for ordinary office, laboratory and/or Larc uses in biotech facilities. Any portion of the Tenant Improvement Allowance that is not disbursed or allocated for disbursement by December 31, 2013, shall revert to Landlord and Tenant shall have no further rights with respect thereto.

2.2 **Disbursement of the Tenant Improvement Allowance**.

2.2.1 **Tenant Improvement Allowance Items**. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**Tenant Improvement Allowance Items**"):

2.2.1.1 Payment of all reasonable fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, project management fees, and payment of the fees incurred by, and the cost of documents and materials supplied by, Tenant and Tenant's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.2 of this Tenant Work Letter;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The payment for all demolition and removal of existing improvements in the Premises;

2.2.1.4 The cost of the design and construction of the Tenant Improvements, including, without limitation, testing and inspection costs, costs incurred for removal of existing furniture, fixtures or equipment in the Premises, hoisting and trash removal costs, costs to remove wiring and cabling, costs to install wiring and cabling other than related to telecom or data uses, costs to purchase and install in the Premises equipment customarily incorporated into laboratory improvements or laboratory utility systems, including, without limitation, UPS, DI Systems, boilers, air compressors, glass/cage washers and autoclaves, painting, and contractors' fees and general conditions;

2.2.1.5 The cost of any changes in the Base Building when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.6 The cost of any changes to the Construction Drawings or Tenant Improvements required by all applicable building codes (the "Code");

2.2.1.7 Sales and use taxes; and

2.2.1.8 Up to Three Hundred Twenty Thousand Dollars (\$320,000) of the Tenant Improvement Allowance not otherwise used for items set forth in Section 2.2.1.4, above, may be used toward the purchase of furniture, fixtures and equipment ("FF&E") (any FF&E purchased through the use of the Tenant Improvement Allowance in accordance with this Tenant Work Letter shall become property of the Landlord and remain in the Premises upon the expiration or earlier termination of the Lease), and for telecom and/or data wiring and cabling (provided that no more than \$15,000 of such amount may be used for Such cabling purposes).

2.2.3 **Disbursement of Tenant Improvement Allowance.** During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows.

2.2.3.1 **Monthly Disbursements.** On or before the fifth (5<sup>th</sup>) day of each calendar month, during the design and construction of the Tenant Improvements (or such other date as Landlord may designate), Tenant shall deliver to Landlord: (i) a request for reimbursement of amounts paid to the "Contractor," as that term is defined in Section 4.1.1 of this Tenant Work Letter, approved by Tenant, in a commercially reasonable form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials for the Premises; (iii) executed mechanic's lien releases, as applicable, from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 3262(d); and (iv) all other information reasonably requested by Landlord. Tenant's request for payment

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shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Within forty-five (45) days thereafter, Landlord shall deliver a check to Tenant made payable to Tenant in payment of the lesser of: (A) the amounts so requested by "tenant as set forth in this Section 2.2.3.1, above (or, subject to the terms of Section 4.2.1, below, a percentage thereof), and (B) the balance of any remaining available portion of the Tenant Improvement Allowance, provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Working Drawings," as that term is defined in Section 3.5 below, or due to any substandard work. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

2.2.3.2 **Final Deliveries.** Following the completion of construction of the Tenant Improvements, Tenant shall deliver to Landlord properly executed final mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from all of Tenant's Agents, and a certificate certifying that the construction of the Tenant Improvements in the Premises has been substantially completed. Tenant shall record a valid Notice of Completion in accordance with the requirements of Section 4.3 of this Tenant Work Letter.

2.2.3.3 **Other Terms.** Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of this Lease.

2.3 **Building Standards.** The quality of Tenant Improvements shall be in keeping with the existing improvements in the Premises.

### SECTION 3

#### CONSTRUCTION DRAWINGS

3.1 **Selection of Architect.** Tenant shall retain an architect/space planner (the "**Architect**") approved in advance by Landlord (which approval shall not be unreasonably withheld) to prepare the Final Space Plan and Final Working Drawings as provided in Section 3.2 and 3.3, below. Landlord hereby approves of WHL Architects\*Planners, Inc., as a permitted Architect hereunder. Tenant shall retain the engineering consultants or design/build subcontractors designated by Tenant and reasonably approved in advance by Landlord (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises, which work is not part of the Base Building. All such plans and drawings shall comply with the drawing format and specifications reasonably determined by Landlord, and shall be subject to Landlord's reasonable approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of any plans or drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters.

3.2 **Final Space Plan.** Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, labs, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall not unreasonably withhold, condition, or delay its approval of the Final Space Plan. Landlord shall approve or reasonably disapprove of the Final Space Plan within five (5) business days after Landlord's receipt thereof. If Landlord reasonably withholds its approval, Landlord shall provide Tenant with the specific reasons therefor.

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3.3 **Final Working Drawings.** After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, Title 24 calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the “Final Working Drawings” (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is sufficiently complete to allow all of Tenant’s Agents to bid on the work and to obtain all applicable permits (collectively, the “**Final Working Drawings**”) and shall submit the same to Landlord for Landlord’s approval, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings, Landlord shall not unreasonably withhold, condition, or delay its approval of the Final Working Drawings. Landlord shall approve or reasonably disapprove of the Final Working Drawings within ten (10) business days after Landlord’s receipt thereof. If Landlord reasonably withholds its approval, Landlord shall provide Tenant with the specific reasons therefor.

3.4 **Approved Working Drawings.** The Final Working Drawings shall be approved by Landlord (the “**Approved Working Drawings**”) prior to the commencement of construction of the Premises by Tenant. Concurrently with Tenant’s delivery of the Final Working Drawings to Landlord for Landlord’s approval, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord’s consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant’s responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed, except that Tenant shall be entitled to make minor changes customarily made in the field without Landlord’s consent, provided that Tenant shall provide notice to Landlord thereof and any documentation received in connection with any such changes.

#### **SECTION 4**

#### **CONSTRUCTION OF THE TENANT IMPROVEMENTS**

##### **4.1 Tenant’s Selection of Contractors.**

4.1.1 **The Contractor; Landlord’s Project Manager.** Tenant shall retain a licensed general contractor, approved in advance by Landlord, to construct the Tenant Improvements (“**Contractor**”). Landlord’s approval of the Contractor shall not be unreasonably withheld. Landlord hereby approves of Landmark Builders Incorporated as a permitted Contractor hereunder. Landlord shall retain Project Management Advisors, Inc. (“**PMA**”) as a third party project manager for construction oversight of the Tenant Improvements on behalf of Landlord. Landlord shall be solely responsible for any fee associated with such services.

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4.1.2 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**"). The subcontractors used by Tenant, but not any laborers, materialmen, and suppliers, must be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, Landlord may nevertheless reasonably designate and reasonably require the use of particular mechanical, engineering, plumbing, fire life-safety and other Base Building subcontractors. If Landlord does not approve any of Tenant's proposed subcontractors, Tenant shall submit other proposed subcontractors for Landlord's written approval.

#### 4.2 **Construction of Tenant Improvements by Tenant's Agents.**

4.2.1 **Construction Contract; Cost Budget.** Tenant shall engage the Contractor under a commercially reasonable and customary construction contract, reasonably approved by Landlord (collectively, the "**Contract**"). Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.9, above, in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the estimated total costs of the work of the Tenant Improvement project (the "**Final Budget**"). Prior to the commencement of construction of the Tenant Improvements, Tenant shall inform Landlord of the amount (the "**Over-Allowance Amount**"), if any, by which the amount of the Final Budget exceeds the amount of the Tenant Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Tenant Improvements). Tenant shall be responsible to pay any Over-Allowance Amount in progress payments on a pro rata basis based on the total Over-Allowance Amount as compared to the Tenant Improvement Allowance.

#### 4.2.2 **Tenant's Agents.**

4.2.2.1 **Compliance with Drawings and Schedule.** Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in substantial accordance with the Approved Working Drawings; and (ii) Tenant's Agents shall endeavor to submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall endeavor, within five (5) business days of receipt thereof, to inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall endeavor to adhere to such corrected schedule.

4.2.2.2 **Indemnity.** Tenant's indemnity of Landlord as set forth in this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises. The foregoing indemnities shall not apply to claims caused by the negligence or willful misconduct of Landlord, its member partners, shareholders, officers, directors, agents, employees, and/or contractors.

4.2.2.3 **Requirements of Tenant's Agents.** Each of Tenant's Agents shall provide to Tenant and for the benefit of Landlord a commercially reasonable and customary warranty covering the portion of the Tenant Improvements for which it is responsible, which warranty shall be for a period of not less than one (1) year from the date of substantial completion of the work under the Contract

("Substantial Completion"). All such warranties as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either.

**4.2.2.4 Insurance Requirements.**

4.2.2.4.1 **General Coverages.** All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant's contractors as set forth in Section 7.1 of the Lease.

4.2.2.4.2 **Special Coverages.** Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, but Landlord shall insure the Tenant Improvements pursuant to the Lease immediately upon completion thereof in the same manner as Landlord is required to insure the "Tenant Improvements constructed by Landlord" pursuant to Section 10.1(d) of the Lease. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents, including all contractors, shall carry general liability, including Products and Completed Operation Coverage insurance, each in amounts not less than (i) for the Contractor, \$5,000,000 per incident, \$5,000,000 in aggregate, and (ii) for subcontractors, \$2,000,000 per incident, \$2,000,000 in aggregate (or such lesser amounts as are reasonably approved in advance by Landlord), as well as workers compensation insurance and in form and with companies as are required to be carried by Tenant's contractors as set forth in the Lease.

4.2.2.4.3 **General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.2.4 Shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before any equipment of Tenant's Agents is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will endeavor to give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. Tenant shall provide Landlord notice of any cancellation or lapse of the effective date or reduction in the amounts of such insurance promptly following Tenant's receipt of such notice from its insurer. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for Products and Completed Operations Coverage insurance required by Landlord, which is to be maintained for a commercially reasonable period following completion of the Tenant Improvements and acceptance by Landlord and Tenant. The builders risk policy carried under this Section 4.2.2.4 shall name Tenant's agents and Landlord as Additional Insureds. All insurance maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder, and the public liability insurance shall name Landlord, HCP, Inc., Project Management Advisors, Inc., CB Richard Ellis, or other manager of the Project, as an additional insured or loss payee, as applicable. Such insurance shall provide that it is primary insurance and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder, The requirements for the foregoing insurance shall not serve to limit the indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter. If the Over-Allowance Amount is more than fifty percent of the total amount of the Tenant Improvement Allowance, then Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee.

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4.2.3 **Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 **Inspection by Landlord.** Landlord shall have the right to reasonably inspect the Tenant Improvements at all times, provided, however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements, on the grounds that the construction is defective or fails to comply with the Approved Working Drawings, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any such defects or deviations shall be rectified by Tenant at no expense to Landlord, provided, however, that in the event Landlord determines that a defect or deviation exists that might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord reasonably deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect and/or deviation, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect and/or deviation is corrected to Landlord's reasonable satisfaction.

4.2.5 **Meetings.** Commencing upon the execution of this Lease, Tenant shall hold weekly meetings at a reasonable time, as reasonably required, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 **Notice of Completion; Copy of Record Set of Plans.** Within ten (10) days after completion of construction of The Tenant Improvements, Tenant shall cause a valid Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (x) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (y) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (z) to deliver to Landlord two (2) sets of copies of such record set of drawings (hard copy and CAD files) within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties and operating manuals and information relating to the Tenant Improvements. Within fifteen (15) days after request by Tenant following the Substantial Completion of the Tenant Improvements, Landlord will acknowledge its approval of the Tenant Improvements (provided that such approval has been granted) by placing its signature on a Contractor's Certificate of Substantial Completion fully executed by the Architect, Contractor and Tenant. Landlord's approval shall not create any contingent liabilities for Landlord with respect to any latent quality, design, Code compliance or other like matters that may arise subsequent to Landlord's approval.

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**SECTION 5**

**MISCELLANEOUS**

5.1 **Tenant's Representative**. Tenant has designated Chuck Alaimo as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who shall each have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 **Landlord's Representative**. Landlord has designated Bernie Baker and/or Jeff Marcowitz with PMA, as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 **Time is of the Essence in This Tenant Work Letter**. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.4 **Tenant's Lease Default**. Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any default by Tenant under the Lease or this Tenant Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount) occurs at any time on or before the substantial completion of the Tenant Improvements and such default remains uncured ten (10) days following Landlord's notice of such default to Tenant, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right, during the continuation of such default, to withhold payment of all or any portion of the Tenant Improvement Allowance and/or, without any liability whatsoever, to cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements and any costs occasioned thereby).

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**THIRD AMENDMENT TO LEASE**

This THIRD AMENDMENT TO LEASE (this “**Third Amendment**”) is made and entered into as of the 11th day of November, 2016, by and between **HCP LS REDWOOD CITY, LLC**, a Delaware limited liability company (“**Landlord**”), and **ONCOMED PHARMACEUTICALS, INC.**, a Delaware corporation (“**Tenant**”).

**R E C I T A L S:**

A. Landlord (as successor in interest to Slough Redwood City, LLC) and Tenant are parties to that certain Lease dated May 30, 2006 (the “**Original Lease**”), as amended by that certain First Amendment to Lease dated November, 2006 (the “**First Amendment**”), that certain Acknowledgement of Rent Commencement Date dated as of March 9, 2007 (“**Commencement Letter**”), and that certain Second Amendment to Office Lease dated December 22, 2010 (the “**Second Amendment**”) pursuant to which Lease Tenant leases from Landlord approximately 45,690 rentable square feet of space (the “**Existing Premises**”) consisting of the entire building (the “**800 Building**”) located at 800 Chesapeake Drive, in the Britannia Seaport Centre in Redwood City, California. The Original Lease, the First Amendment, the Commencement Letter and the Second Amendment are, collectively, the “**Lease**.”

B. Landlord and Tenant desire (i) to extend the Lease Term of the Lease, (ii) to expand the Existing Premises to include that certain space consisting of approximately 22,750 rentable square feet of space consisting of space on the first (1st) floor of the building (the “**900 Building**”) located at 900 Chesapeake Drive, in the Britannia Seaport Centre in Redwood City, California (the “**Expansion Premises**”), as delineated on **Exhibit A** attached hereto and made a part hereof, and (iii) to make other modifications to the Lease, and in connection therewith, Landlord and Tenant desire to amend the Lease as hereinafter provided.

**A G R E E M E N T:**

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms.** All capitalized terms when used herein shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Third Amendment.

2. **Modification of Premises.** Effective as of the date (the “**Expansion Commencement Date**”) which is the earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Expansion Premises and (ii) the Target Commencement Date (as defined below), Tenant shall lease from Landlord and Landlord shall lease to Tenant the Expansion Premises. The “**Target Commencement Date**” shall mean June 1, 2018; provided, however, if Landlord fails to deliver possession of the Expansion Premises to Tenant on or before the Target Delivery Date (as defined below), then the Target Commencement Date shall be extended beyond June 1, 2018, by one (1) day for each day delivery of possession of the Expansion Premises to Tenant is delayed beyond the Target Delivery Date. Landlord and Tenant hereby acknowledge that the Expansion Premises shall be occupied by a third-party tenant (the “**Third Party**”) pursuant to a lease to be entered into between Landlord and such Third Party (the “**Third-Party Lease**”). Such Third-Party Lease shall contain an unconditional right of Landlord to terminate the Third-Party Lease. In the event Tenant shall lease the Expansion Premises (either via delivery of the “**Expansion Confirmation Notice**” (as that term is defined in Section 7 below) or if Tenant fails to deliver the “**Expansion Termination Notice**” (as that term is defined in Section 7 below)) Landlord shall cause the Third-Party Lease to terminate on or prior to the Target Delivery Date (by exercise of the right to

terminate or otherwise), but Landlord's ability to deliver the Expansion Premises to Tenant is expressly conditioned upon the full vacation and surrender of the Expansion Premises by the Third Party to Landlord. Provided that Landlord has caused the Third-Party Lease to terminate on or before the Target Delivery Date (by exercise of the right to terminate or otherwise), if Landlord is unable for any reason to deliver possession of the Expansion Premises to Tenant on or before the Target Delivery Date, then Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Third Amendment or the obligations of Tenant hereunder. In connection with the foregoing, Landlord agrees to utilize commercially reasonable efforts to deliver the Expansion Premises on or before the Target Delivery Date. The "**Target Delivery Date**" shall mean the later of (a) six (6) months following the earlier to occur of (i) Landlord's receipt of the Expansion Confirmation Notice, and (ii) the last day upon which Tenant may deliver the "Expansion Termination Notice" (as that term is defined in Section 7 below) (i.e., September 15, 2017), or (b) January 1, 2018. Effective upon the Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Premises. Landlord and Tenant hereby acknowledge that such addition of the Expansion Premises to the Existing Premises shall, effective as of the Expansion Commencement Date, increase the size of the Premises to approximately 68,440 rentable square feet. The Existing Premises and the Expansion Premises may hereinafter collectively be referred to as the "**Premises**". Notwithstanding the foregoing, in the event Landlord is not able to deliver the Expansion Premises to Tenant on or before June 1, 2018 (subject to extension by virtue of delays resulting from events of "Force Majeure" (as that term is defined below), then commencing on the Expansion Commencement Date, Tenant shall receive one (1) day of abatement of Base Rent with respect to the Expansion Premises for each day delivery of the Expansion Premises is delayed beyond June 1, 2018. For purposes of this Third Amendment, Force Majeure shall mean any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (collectively, a "**Force Majeure**"). Force Majeure shall not include a holdover of the Expansion Premises by the Third Party.

### 3. **Lease Term.**

3.1. **Expansion Term.** Landlord and Tenant acknowledge that Tenant's lease of the Existing Premises is scheduled to expire on February 6, 2019, pursuant to the terms of the Lease. Notwithstanding anything to the contrary in the Lease, the term of Tenant's lease of the Existing Premises is hereby extended and shall expire coterminously with the term of Tenant's lease of the Expansion Premises on May 31, 2028 (the "**Expansion Expiration Date**"), unless sooner terminated as provided in the Lease, as hereby amended, provided that in the event Tenant timely exercises the Expansion Termination Right, then the Lease Term with respect to the Existing Premises shall still be extended to and shall expire on May 31, 2028. The period of time commencing on the Expansion Commencement Date and terminating on the Expansion Expiration Date, shall be referred to herein as the "**Expansion Term**."

3.2. **Option Term.** Landlord and Tenant acknowledge and agree that notwithstanding the extension of the Lease Term set forth in Section 3.1 above, Tenant shall retain one (1) option to extend the Expansion Term (with respect to the Expansion Premises) and to further extend the Lease Term (with respect to the Existing Premises) as set forth in Section 2.6 of the Original Lease (as amended pursuant to Section 5 of the Second Amendment), provided that all references to the "Premises" therein shall be deemed to be references to both the Existing Premises and the Expansion Premises.

#### 4. **Base Rent.**

4.1. **Existing Premises.** Prior to September 1, 2016, Tenant continued to pay Base Rent (also referred to as “minimum rental” under the Lease) for the Existing Premises in accordance with the terms of the Lease. Commencing retroactively on September 1, 2016, and continuing throughout the remainder of the Lease Term, Tenant shall pay to Landlord monthly installments of Base Rent for the Existing Premises as follows:

Period During Expansion Term	Annualized Base Rent	Monthly Installment of Base Rent	Approximate Monthly Rental Rate per Rentable Square Foot
September 1, 2016 – May 31, 2018	\$2,275,362.00	\$189,613.50	\$ 4.15
June 1, 2018 – May 31, 2019	\$2,357,604.00	\$196,467.00	\$ 4.30
June 1, 2019 – May 31, 2020	\$2,440,120.14	\$203,343.35	\$ 4.45
June 1, 2020 – May 31, 2021	\$2,525,524.34	\$210,460.36	\$ 4.61
June 1, 2021 – May 31, 2022	\$2,613,917.70	\$217,826.47	\$ 4.77
June 1, 2022 – May 31, 2023	\$2,705,404.82	\$225,450.40	\$ 4.93
June 1, 2023 – May 31, 2024	\$2,800,093.98	\$233,341.17	\$ 5.11
June 1, 2024 – May 31, 2025	\$2,898,097.27	\$241,508.11	\$ 5.29
June 1, 2025 – May 31, 2026	\$2,999,530.68	\$249,960.89	\$ 5.47
June 1, 2026 – May 31, 2027	\$3,104,514.25	\$258,709.52	\$ 5.66
June 1, 2027 – May 31, 2028	\$3,213,172.25	\$267,764.35	\$ 5.86

4.2. **Existing Premises Abated Base Rent.** *Provided* that Tenant is not then in default of the Lease (as hereby amended) beyond the applicable notice and cure periods set forth in the Lease, as amended, then during the period commencing on September 1, 2016 and ending on March 31, 2017 (the “**Existing Premises Rent Abatement Period**”), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Existing Premises during such Existing Premises Rent Abatement Period (the “**Existing Premises Rent Abatement**”). Landlord and Tenant acknowledge that the aggregate amount of the Existing Premises Rent Abatement equals \$1,327,294.50 (*i.e.*, \$189,613.50 per month). Tenant

acknowledges and agrees that the foregoing Existing Premises Rent Abatement has been granted to Tenant as additional consideration for entering into this Third Amendment, and for agreeing to pay the rent and performing the terms and conditions otherwise required under the Lease (as hereby amended).

4.3. **Expansion Premises.** Commencing on the Expansion Commencement Date and continuing throughout the Expansion Term, Tenant shall pay to Landlord monthly installments of Base Rent (also referred to as “minimum rental” under the Lease) for the Expansion Premises as follows:

<u>Period During Expansion Term</u>	<u>Annualized Base Rent</u>	<u>Monthly Installment of Base Rent</u>	<u>Approximate Monthly Rental Rate per Rentable Square Foot</u>
Expansion Commencement Date – May 31, 2019	\$1,173,900.00	\$ 97,825.00	\$ 4.30
June 1, 2019 – May 31, 2020	\$1,214,986.50	\$101,248.88	\$ 4.45
June 1, 2020 – May 31, 2021	\$1,257,511.03	\$104,792.59	\$ 4.61
June 1, 2021 – May 31, 2022	\$1,301,523.91	\$108,460.33	\$ 4.77
June 1, 2022 – May 31, 2023	\$1,347,077.25	\$112,256.44	\$ 4.93
June 1, 2023 – May 31, 2024	\$1,394,224.95	\$116,185.41	\$ 5.11
June 1, 2024 – May 31, 2025	\$1,443,022.83	\$120,251.90	\$ 5.29
June 1, 2025 – May 31, 2026	\$1,493,528.63	\$124,460.72	\$ 5.47
June 1, 2026 – May 31, 2027	\$1,545,802.13	\$128,816.84	\$ 5.66
June 1, 2027 – May 31, 2028	\$1,599,905.20	\$133,325.43	\$ 5.86

On or before the Expansion Commencement Date, Tenant shall pay to Landlord the Base Rent payable for the Expansion Premises for the first full month of the Expansion Term.

## 5. **Tenant's Operating Cost Share of Operating Expenses.**

5.1. **Existing Premises.** Notwithstanding the extension of the Lease Term as provided herein, Tenant shall continue to be obligated to pay Tenant's Operating Cost Share of the Operating Expenses in connection with the Existing Premises in accordance with the terms of the Lease; provided that Landlord and Tenant hereby acknowledge and agree that Tenant shall not be obligated to pay Tenant's Operating Cost Share of the Operating Expenses during the period commencing retroactively on September 1, 2016 through December 31, 2016. In connection with the foregoing, Landlord and Tenant acknowledge and agree that Tenant has paid minimum rental and Tenant's Operating Cost Share of the Operating Expenses for September 2016, October 2016 and November 2016, and accordingly, within forty-five (45) days following the full execution and delivery of this Third Amendment by Landlord and Tenant, Landlord shall deliver a check to Tenant reimbursing Tenant for such payments previously received by Landlord.

5.2. **Expansion Premises.** Except as specifically set forth in this Section 5.2, commencing on the Expansion Commencement Date, Tenant shall pay Tenant's Share of Direct Expenses in connection with the Expansion Premises in accordance with the terms of the Lease, provided that with respect to the calculation of Tenant's Operating Cost Share of the Operating Expenses in connection with the Expansion Premises, Tenant's Operating Cost Share shall equal 50% of the 900 Building.

6. **Improvements.** Except as specifically set forth in the Tenant Work Letter attached to this Third Amendment as Exhibit B (the "**Tenant Work Letter**"), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Expansion Premises. Landlord shall deliver the Expansion Premises to Tenant in good, vacant, broom clean condition, in compliance with all laws (to the extent required to obtain or maintain a certificate of occupancy for the Expansion Premises), with the roof water-tight and shall cause the plumbing, electrical systems, fire sprinkler system, lighting, and all other building systems serving the Expansion Premises to be in good operating condition and repair on or before the Expansion Commencement Date. Tenant shall otherwise accept the Expansion Premises and continue to accept the Existing Premises in their presently existing, "as-is" condition. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges that the Common Areas and the Premises have not undergone inspection by a Certified Access Specialist (CASp).

7. **Expansion Premises Termination Right.** Notwithstanding any provision to the contrary contained in the Lease (as amended), Tenant shall have the right (the "**Expansion Termination Right**"), upon written notice to Landlord (the "**Expansion Termination Notice**") delivered no later than September 15, 2017, to terminate Tenant's lease of the Expansion Premises only. Provided that Tenant timely delivers the Expansion Termination Notice as set forth above, then (i) the Lease with respect to the Expansion Premises only shall automatically terminate and be of no further force or effect, (ii) Landlord and Tenant shall be relieved of their respective obligations under the Lease, as amended, solely with respect to the Expansion Premises, (iii) the Premises shall be decreased to exclude the Expansion Premises and thereafter, all references in the Lease and this Third Amendment to the term "Premises" shall be deemed to refer to only the Existing Premises, (iv) the applicable portions of this Third Amendment which relate solely to the Expansion Premises (specifically including, without limitation, Sections 2, 4.3, 5.2 and 9) shall be deemed null and void and of no further force or effect, and the portions of this Amendment which relate solely to the Existing Premises shall remain unmodified and of full force and effect, and (v) Tenant shall only be entitled to receive the "Existing Premises Improvement Allowance" (as defined in the Tenant Work Letter) and Tenant would forfeit any and all right to the "Expansion Premises Improvement Allowance" (as defined in the Tenant Work Letter). In connection with the foregoing, Tenant hereby agrees that if prior to September 15, 2017, Tenant determines that Tenant shall lease the Expansion Premises pursuant to the terms of this Third Amendment, Tenant shall provide written notice of the same to Landlord (the

“**Expansion Confirmation Notice**”), in which event Landlord and Tenant shall promptly thereafter execute an amendment (substantially in the form of **Exhibit C** attached hereto) to the Lease deleting the Expansion Premises Termination Right and confirming Tenant’s lease of the Expansion Premises pursuant to the terms of this Third Amendment. Notwithstanding the foregoing documentation obligation, Landlord and Tenant hereby acknowledge and agree that Tenant’s delivery of the Expansion Confirmation Notice (or Tenant’s failure to timely deliver the Expansion Termination Notice) shall, in and of itself, conclusively establish Tenant’s obligation to lease the Expansion Premises and Landlord’s obligation to lease to Tenant the Expansion Premises) on the express terms, covenants and conditions set forth in this Third Amendment.

8. **Broker.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Third Amendment other than CBRE, Inc. (the “**Broker**”), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Third Amendment. Landlord shall pay the Brokers the commissions payable in connection with this Third Amendment pursuant to a separate agreement. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys’ fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party’s dealings with any real estate broker or agent, other than the Broker. The terms of this Section 8 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

9. **Insurance / Restoration.** Landlord and Tenant agree that the Tenant Improvements under the Tenant Work Letter (and the Tenant Improvements under the Second Amendment) shall be deemed to be “Tenant Improvements constructed by Landlord” for purposes of Sections 10.1(c), 10.1(d) and 13.1(a) of the Lease.

10. **No Mortgage.** Landlord represents and warrants to Tenant that as of the date of this Third Amendment, neither the Premises, the 800 Building, the 900 Building nor the Center is subject to any existing ground lease, mortgage, deed of trust, sale/leaseback transaction or any other hypothecation for security.

11. **No Further Modification.** Except as set forth in this Third Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect. The terms of that certain letter of intent dated September 19, 2016 executed by the parties hereto shall be deemed null and void and of no force or effect.

[signatures contained on following page]

IN WITNESS WHEREOF, this Third Amendment has been executed as of the day and year first above written.

LANDLORD:

**HCP LS REDWOOD CITY, LLC,**  
a Delaware limited liability company

By: /s/ Jonathan M. Bergschneider  
Jonathan M. Bergschneider  
Executive Vice President

TENANT:

**ONCOMED PHARMACEUTICALS, INC.,**  
a Delaware corporation

By: /s/ Paul J. Hastings  
Paul J. Hastings  
Its: Chairman & CEO



**EXHIBIT B**

**TENANT WORK LETTER**

This Tenant Work Letter shall set forth the terms and conditions relating to the initial improvement of the Premises for Tenant following the date of this Third Amendment. This Tenant Work Letter is essentially organized chronologically and addresses the issues of construction, in sequence, as such issues will arise during construction in the Premises.

**SECTION 1**

**CONDITION OF PREMISES**

Landlord shall deliver the Expansion Premises to Tenant in good, vacant, broom clean condition, in compliance with all laws (to the extent required to obtain or maintain a certificate of occupancy for the Expansion Premises), with the roof water-tight and shall cause the plumbing, electrical systems, fire sprinkler system, lighting, and all other building systems serving the Expansion Premises to be in good operating condition and repair on or before the Expansion Commencement Date. Further, Landlord at its sole cost (and at no cost to Tenant through Operating Expenses or otherwise) shall be responsible to cause the exterior of the 900 Building and the structural portions of the 900 Building to be in compliance with applicable ADA requirements to the extent required to allow the legal occupancy of the Expansion Premises for the permitted use (subject to Tenant's interior design and utilization of existing entrances for required egress from the 900 Building). Tenant acknowledges that except as provided in this Section, Tenant shall accept the Premises in their existing, "as-is" condition on the date of delivery thereof to Tenant. Except for the payment of the Tenant Improvement Allowance as provided in Section 2, below, Landlord shall have no obligation to make or pay for any improvements to the Premises. Further, any hazardous materials (as defined by applicable laws) existing in the Expansion Premises as of the date of delivery of the Expansion Premises to Tenant, if any, shall be removed or remediated by Landlord as required by applicable laws, at Landlord's sole cost and expense (i.e., the cost of the Tenant Improvements shall not include such costs, and the Tenant Improvement Allowance shall not be used for such costs), except to the extent (if any) that such hazardous materials were brought onto or released onto the Expansion Premises, the Building or the Center through the acts or omissions of Tenant or its employees, agents or contractors.

**SECTION 2**

**TENANT IMPROVEMENTS**

2.1 **Tenant Improvement Allowance**. Commencing as of the Lease Commencement Date, Tenant shall be entitled to use a one-time improvement allowance in the aggregate amount of \$2,400,000.00 which is comprised of (i) \$1,600,000 (the "**Existing Premises Improvement Allowance**"), for the costs relating to the design and construction of Tenant's improvements, which are permanently affixed to the Existing Premises only (the "**Existing Premises Improvements**") or which are "Tenant Improvement Allowance Items," as that term is defined in Section 2.2.1, below, and (ii) \$800,000.00 (the "**Expansion Premises Improvement Allowance**") for the costs relating to the design and construction of Tenant's improvements which are permanently affixed to the Expansion Premises only (the "**Expansion Premises Improvements**") or which are Tenant Improvement Allowance Items. Collectively, the Expansion Premises Improvements and the Existing Premises Improvements are the "**Tenant Improvements**" and collectively the Existing Premises Improvement Allowance and the Expansion Premises Improvement Allowance are the "**Tenant Improvement Allowance**". Tenant hereby acknowledges and agrees that (A) Tenant shall not be entitled to receive more than \$500,000.00 of the Existing Improvement Allowance during the calendar year 2016, and (B) Tenant shall not be entitled to receive any portion of the Expansion

Premises Improvement Allowance until the earlier to occur of (a) the date upon which the Expansion Confirmation Notice is delivered to Landlord or (b) September 16, 2017 (assuming the Expansion Termination Notice has not been timely delivered by Tenant, as Tenant shall forfeit any and all rights to the Expansion Premises Improvement Allowance in the event the Expansion Termination Notice is timely delivered to Landlord). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter or otherwise in connection with Tenant's construction of the Tenant Improvements or any Tenant Improvement Allowance Items, as defined below, in a total amount which exceeds the sum of the Tenant Improvement Allowance. All Tenant Improvements for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of the Lease; provided, however, Landlord may, by written notice to Tenant given concurrently with Landlord's approval of the "Final Working Drawings", as that term is defined in Section 3.3, below, require Tenant, prior to the end of the Lease Term, or promptly following any earlier termination of the Lease, at Tenant's expense, to remove any Tenant Improvements and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a Building standard general office condition; provided, however, that Landlord shall not require Tenant to remove upon termination or expiration of the Lease, or condition its approval upon Tenant's agreement to remove upon termination or expiration of the Lease, any Tenant Improvements constructed pursuant to this Tenant Work Letter which constitute standard, non-extraordinary improvements for ordinary office use. Any portion of the Existing Premises Improvement Allowance that is not disbursed or requested for disbursement by the end of the first twelve (12) months following the Expansion Commencement Date (or, in the event that Tenant timely exercises the Expansion Termination Notice, by September 15, 2018), shall revert to Landlord and Tenant shall have no further rights with respect thereto, and any portion of the Expansion Premises Improvement Allowance that is not disbursed or allocated for disbursement by the end of the first twelve (12) months following the Expansion Commencement Date, shall revert to Landlord and Tenant shall have no further rights with respect thereto.

## 2.2 **Disbursement of the Tenant Improvement Allowance.**

2.2.1 **Tenant Improvement Allowance Items.** Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**Tenant Improvement Allowance Items**"):

2.2.1.1 Payment of all reasonable fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, project management fees payable to Project Management Advisors, Inc. ("**PMA**"), as provided below, and payment of the reasonable fees incurred by, and the reasonable cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with third-party review of the "Construction Drawings," as that term is defined in Section 3.2 of this Tenant Work Letter, which consultants are reasonably deemed necessary by Landlord to review and oversee the Tenant Improvements and whose services are not the same as the services provided by PMA (e.g., structural engineers);

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The payment for all demolition and removal of existing improvements in the Premises;

2.2.1.4 The cost of construction of the Tenant Improvements, including, without limitation, testing and inspection costs, costs incurred for removal of existing furniture, fixtures or equipment in the Premises, hoisting and trash removal costs, costs to purchase and install in the Premises equipment customarily incorporated into laboratory improvements or laboratory utility systems, including, without limitation, UPS, DI Systems, boilers, air compressors, glass/cage washers and autoclaves, painting, and contractors' fees and general conditions;

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2.2.1.5 The cost of any changes in the Base Building when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.6 The cost of any changes to the Construction Drawings or Tenant Improvements required by all applicable building codes (the “Code”);

2.2.1.7 Sales and use taxes;

2.2.1.8 Costs expended by Landlord pursuant to Section 4.1.1 of this Tenant Work Letter, below.

2.2.2 **Disbursement of Tenant Improvement Allowance.** During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows.

2.2.2.1 **Monthly Disbursements.** On or before the fifth (5<sup>th</sup>) day of each calendar month, during the design and construction of the Tenant Improvements (or such other date as Landlord may designate), Tenant shall deliver to Landlord: (i) a request for reimbursement of amounts paid to the “Contractor,” as that term is defined in Section 4.1.1 of this Tenant Work Letter, approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed; (ii) invoices from all of “Tenant’s Agents,” as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials for the Premises; (iii) executed mechanic’s lien releases, as applicable, from all of Tenant’s Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Sections 8132, 8134, 8136 and 8138; and (iv) all other information reasonably requested by Landlord. As between Landlord and Tenant only, Tenant’s request for payment shall be deemed Tenant’s acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant’s payment request. Within forty-five (45) days thereafter, Landlord shall deliver a check to Tenant made payable to Tenant in payment of the lesser of: (A) the amounts so requested by Tenant as set forth in this Section 2.2.3.1, above (or, subject to the terms of Section 4.2.1, below, the applicable percentage thereof), and (B) the balance of any remaining available portion of the Tenant Improvement Allowance provided that Landlord does not dispute any request for payment based on non-compliance of any work with the “Approved Working Drawings,” as that term is defined in Section 3.5 below, or due to any substandard work. Landlord’s payment of such amounts shall not be deemed Landlord’s approval or acceptance of the work furnished or materials supplied as set forth in Tenant’s payment request.

2.2.2.2 **Final Deliveries.** Following the completion of construction of the Tenant Improvements, Tenant shall deliver to Landlord properly executed final mechanic’s lien releases in compliance with both California Civil Code Section 8134 and either Section 8136 or Section 8138 from all of Tenant’s Agents, and a certificate certifying that the construction of the Tenant Improvements in the Premises has been substantially completed. Tenant shall record a valid Notice of Completion in accordance with the requirements of Section 4.3 of this Tenant Work Letter.

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2.2.2.3 **Other Terms.** Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance have been made available shall be deemed Landlord's property under the terms of the Lease.

2.3 **Building Standards.** The quality of Tenant Improvements shall be in keeping with the existing improvements in the Existing Premises.

### **SECTION 3**

#### **CONSTRUCTION DRAWINGS**

3.1 **Selection of Architect.** Tenant shall retain an architect/space planner (the "**Architect**") approved in advance by Landlord (which approval shall not be unreasonably withheld) to prepare the Final Space Plan and Final Working Drawings as provided in Section 3.2 and 3.3, below. Tenant shall retain the engineering consultants or design/build subcontractors designated by Tenant and reasonably approved in advance by Landlord (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises, which work is not part of the Base Building. All such plans and drawings shall comply with industry standard drawing format and specifications, and shall be subject to Landlord's reasonable approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of any plans or drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters.

3.2 **Final Space Plan.** Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, labs, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. Notwithstanding the foregoing, Landlord's approval of the Final Space Plan shall not be unreasonably withheld, provided that Landlord and Tenant hereby agree it shall be deemed reasonable for Landlord to withhold its approval of the Final Space Plan if a "Design Problem" exists. A "**Design Problem**" shall mean and refer to any design criteria which would (a) adversely affect the Building structure or Building systems; (b) be in non-compliance with codes or other applicable laws; (c) be seen from the exterior of the Premises; (d) cause material interference with Landlord or other tenants of the Building (other than as typical for construction of improvements), or (e) affect the certificate of occupancy or its legal equivalent for the Building or any portion thereof.

3.3 **Final Working Drawings.** After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, Title 24 calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the "Final Working Drawings" (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings, to the extent applicable to the Tenant Improvements, in a form which is sufficiently complete to

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allow all of Tenant's Agents to bid on the work and to obtain all applicable permits (collectively, the "**Final Working Drawings**") and shall submit the same to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Working Drawings to be revised in accordance with such review and any disapproval of Landlord in connection therewith. Notwithstanding the foregoing, Landlord's approval of the Final Working Drawings shall not be unreasonably withheld; provided that Landlord and Tenant hereby agree that it shall be deemed reasonable for Landlord to withhold its approval of the Final Working Drawings if a Design Problem exists or if the Final Working Drawings are inconsistent with the Final Space Plan.

3.4 **Approved Working Drawings.** The Final Working Drawings shall be approved by Landlord (the "**Approved Working Drawings**," and collectively with the Final Space Plan and the Final Working Drawings, the "**Construction Drawings**") prior to the commencement of construction of the Premises by Tenant. Concurrently with Tenant's delivery of the Final Working Drawings to Landlord for Landlord's approval, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed; provided, however, Tenant shall be permitted, without Landlord's prior written consent, to make minor changes in the Tenant Improvements that are customarily made in the field.

## SECTION 4

### CONSTRUCTION OF THE TENANT IMPROVEMENTS

#### 4.1 Tenant's Selection of Contractors.

4.1.1 **The Contractor; Landlord's Project Manager.** Tenant shall retain a licensed general contractor, approved in advance by Landlord, to construct the Tenant Improvements ("**Contractor**"). Landlord's approval of the Contractor shall not be unreasonably withheld. Landlord shall retain Project Management Advisors, Inc. ("**PMA**") as a third party project manager for construction oversight of the Tenant Improvements on behalf of Landlord, and Tenant shall pay a fee to Landlord with respect to the PMA services in the amount of \$1.53/sf of the Expansion Premises (\$34,808), but not less than \$4,068 per month in which design and construction activity is occurring in the Existing Premises and/or Expansion Premises. Said fee is to be deducted from the Tenant Improvement Allowance.

4.1.2 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers used by Tenant shall be known collectively as "**Tenant's Agents**". The subcontractors used by Tenant, but not any laborers, materialmen, and suppliers, must be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, Landlord may nevertheless designate and require the use of particular mechanical, engineering, plumbing, fire life-safety and other Base Building subcontractors. If Landlord does not approve any of Tenant's proposed subcontractors, Tenant shall submit other proposed subcontractors for Landlord's written approval.

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#### 4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1 **Construction Contract; Cost Budget.** Tenant shall engage the Contractor under a commercially reasonable and customary construction contract, reasonably approved by Landlord (collectively, the "**Contract**"). Prior to the commencement of the construction of the Tenant Improvements (or a phase thereof, as the case may be), and after Tenant has accepted all bids for the Tenant Improvements (or a phase thereof, as the case may be), Tenant shall provide Landlord with a detailed breakdown, by trade, of the good faith estimated costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.10, above, in connection with the design and construction of the applicable phase of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the estimated total costs of the work of the applicable phase of the Tenant Improvement project (the "**Estimated Budget**"). The difference between the amount of the Estimated Budget and the amount of the Tenant Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Tenant Improvements) is referred to herein as the "**Over-Allowance Amount**". In the event that an Over-Allowance Amount exists in connection with any particular construction project involving the construction of the Improvements, then Tenant shall pay a percentage of each amount requested by Contractor or otherwise disbursed under this Work Letter, which percentage shall be equal to the Over-Allowance Amount divided by the amount of the Estimated Budget (after deducting from the Estimated Budget any amounts expended in connection with the preparation of the Construction Drawings, and the cost of other Tenant Improvement Allowance Items incurred prior to the commencement of construction of the Tenant Improvements) and such payments by Tenant (the "**Over-Allowance Payments**") shall be a condition to Landlord's obligation to pay any amounts from the Tenant Improvement Allowance. In the event that, after the Estimated Budget has been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements shall change, any additional costs necessary to such design and construction in excess of the Estimated Budget, shall be in accordance with the terms of the immediately preceding sentence and the amounts to be disbursed by Landlord pursuant to the terms of this Work Letter thereafter shall be accordingly adjusted so that Landlord's disbursements in the aggregate pursuant to the terms of this Work Letter and Tenant's Over-Allowance Payments are each proportionate to the adjusted Estimated Budget. All Tenant Improvements paid for by the Over-Allowance Amount shall be deemed Landlord's property under the terms of the Lease.

#### 4.2.2 Tenant's Agents.

4.2.2.1 **Compliance with Drawings and Schedule.** Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in substantial accordance with the Approved Working Drawings; and (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule.

4.2.2.2 **Indemnity.** Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in the Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises. The foregoing indemnity shall not apply to claims caused by the negligence or willful misconduct of Landlord, its member partners, shareholders, officers, directors, agents, employees, and/or contractors, or Landlord's breach of the Lease.

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4.2.2.3 **Requirements of Tenant's Agents.** Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of substantial completion of the work under the Contract ("**Substantial Completion**"). Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after Substantial Completion. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

4.2.2.4 **Insurance Requirements.**

4.2.2.4.1 **General Coverages.** All of Tenant's Agents shall carry the following insurance with insurers having a minimum A.M. best rating of A- VII or better (i) worker's compensation insurance covering all of Tenant's Agents' respective employees with a waiver of subrogation in favor of Landlord and the property manager, (ii) general liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate, including products/completed operations and contractual coverage, and including Landlord and its property manager as additional insureds, and (ii) if the cost of such Tenant Improvements exceeds \$100,000 in the aggregate, then Builders Risk insurance covering the construction of the Tenant Improvements (it being understood and agreed that the Tenant Improvements shall be insured by Landlord pursuant to the Lease immediately upon completion thereof in the same manner as Landlord is required to insure the "Tenant Improvements constructed by Landlord" pursuant to Section 10.1(d) of the Lease), and such policy shall include Landlord as an additional insured.

4.2.2.4.2 **Intentionally Omitted.**

4.2.2.4.3 **General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Expansion Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will endeavor to give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Expansion Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Expansion Tenant Improvements are fully completed, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for a commercially reasonable period following completion of the work. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter.

EXHIBIT B

4.2.3 **Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 **Inspection by Landlord.** Landlord shall have the right to inspect the Tenant Improvements at all times, provided, however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements, on the grounds that the construction is defective or fails to comply with the Approved Working Drawings, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any such defects or deviations shall be rectified by Tenant at no expense to Landlord, provided, however, that in the event Landlord determines that a defect or deviation exists that might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord reasonably deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's reasonable satisfaction.

4.2.5 **Meetings.** Commencing upon the date Tenant begins to plan the Existing Improvements or the Expansion Improvements, Tenant shall hold weekly meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Existing Improvements or the Expansion Improvements as the case may be, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 **Notice of Completion; Copy of Record Set of Plans.** Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a valid Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (x) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (y) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Lease, and (z) to deliver to Landlord two (2) sets of copies of such record set of drawings (hard copy and CAD files) within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises. Within fifteen (15) days after request by Tenant following the Substantial Completion of the Tenant Improvements, Landlord will acknowledge its approval of the Tenant Improvements (provided that such approval has been granted) by placing its signature on a Contractor's Certificate of Substantial Completion fully executed by the Architect, Contractor and Tenant. Landlord's approval shall not create any contingent liabilities for Landlord with respect to any latent quality, design, Code compliance or other like matters that may arise subsequent to Landlord's approval.

EXHIBIT B

**SECTION 5**

**MISCELLANEOUS**

5.1 **Tenant's Representative.** Tenant has designated Chuck Alaimo as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 **Landlord's Representative.** Landlord has designated Jeff Marcowitz with PMA, as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 **Time is of the Essence in This Tenant Work Letter.** Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.4 Inserted to preserve the numbering of original document—do not delete

5.5 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any default by Tenant under the Lease or this Tenant Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount) occurs at any time on or before the substantial completion of the Tenant Improvements and such default remains uncured ten (10) days following Landlord's notice of such default to Tenant, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right, during the continuation of such default, to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements and any costs occasioned thereby).

5.6 **Phased Construction.** Tenant may construct the Tenant Improvements (and submit the Final Space Plan and Working Drawings therefor) in phases at Tenant's discretion.

5.7 **Landlord Caused Delays.** The Expansion Commencement Date shall occur as provided in this Third Amendment, provided that the same shall be extended by the number of days of actual delay of the substantial completion of the Expansion Premises Improvements to the extent caused by a "Landlord Caused Delay," as that term is defined, below, but only to the extent such Landlord Caused Delay causes the substantial completion of the Expansion Premises Improvements to occur after the date which is five (5) months following the date upon which the Expansion Premises is delivered to Tenant. As used herein, "**Landlord Caused Delay**" shall mean actual delays in the substantial completion of the Expansion Premises Improvements to the extent resulting from interference (when judged in accordance with industry custom and practice) with Tenant's construction of the Expansion Premises Improvements to the extent caused by (i) Landlord's failure to timely approve or disapprove any matter requiring Landlord's pertaining to the Expansion Premises Improvements within the time periods set forth above or if not specified, within a reasonable period of time; (iii) Landlord's failure to timely disburse the Expansion Premises Improvement Allowance; (ii) material and unreasonable interference by Landlord with substantial completion of the Expansion Premises if such interference (A) objectively precludes or delays the construction of tenant improvements in the Building or any portion thereof, and (B) relates to access by Tenant to the Expansion Premises or any of the Building's facilities (including loading docks and freight elevators) or services and utilities (including temporary power and parking areas as provided herein) during normal construction

EXHIBIT B

hours, or the use thereof during normal construction hours; or (iii) the negligence or willful misconduct of Landlord or the Landlord Parties pertaining to the Premises. If Tenant contends that a Landlord Caused Delay has occurred, Tenant shall notify Landlord in writing of the event which constitutes such Landlord Caused Delay. Tenant will additionally use reasonable efforts to mitigate the effects of any Landlord Caused Delay through the re-sequencing or re-scheduling of work, if feasible, but this sentence will not be deemed to require Tenant to incur overtime or after-hours costs unless Landlord agrees in writing to bear such costs. In addition, Tenant shall endeavor to provide notice to Landlord when Tenant becomes aware of any expected or potential Landlord Caused Delays prior to any such delay actually occurring, in order to allow Landlord to attempt to mitigate such potential delay. If such actions, inaction or circumstance described in the notice (the "**Landlord Delay Notice**") are not cured by Landlord within one (1) business day of Landlord's receipt of the Landlord Delay Notice and if such action, inaction or circumstance otherwise qualify as a Landlord Caused Delay, then a Landlord Caused Delay shall be deemed to have occurred commencing as of the date of Landlord's receipt of the Landlord Delay Notice and ending as of the date such delay ends.

EXHIBIT B

EXHIBIT C

This FOURTH AMENDMENT TO LEASE (this "**Third Amendment**") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **HCP LS REDWOOD CITY, LLC**, a Delaware limited liability company ("**Landlord**"), and **ONCOMED PHARMACEUTICALS, INC.**, a Delaware corporation ("**Tenant**").

R E C I T A L S:

A. Landlord (as successor in interest to Slough Redwood City, LLC) and Tenant are parties to that certain Lease dated May 30, 2006 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated November, 2006 (the "**First Amendment**"), that certain Acknowledgement of Rent Commencement Date dated as of March 9, 2007 ("**Commencement Letter**"), that certain Second Amendment to Office Lease dated December 22, 2010 (the "**Second Amendment**") and that certain Third Amendment to Lease dated \_\_\_\_\_, 2016 (the "**Third Amendment**") pursuant to which Lease Tenant leases from Landlord approximately 68,440 rentable square feet of space (the "**Premises**") consisting of the entire building (the "**800 Building**") located at 800 Chesapeake Drive, in the Britannia Seaport Centre in Redwood City, California, and a portion of the building located at 900 Chesapeake Drive, in the Britannia Seaport Centre in Redwood City, California. The Original Lease, the First Amendment, the Commencement Letter, the Second Amendment and the Third Amendment are, collectively, the "**Lease.**"

B. Landlord and Tenant to amend the Lease as hereinafter provided.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms.** All capitalized terms when used herein shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this Third Amendment.

2. **Deletion of Expansion Termination Right.** Effective as of the date of this Fourth Amendment, Section 7 of the Third Amendment is hereby deleted in its entirety and of no further force or effect, and Tenant shall lease the Expansion Premises from Landlord pursuant to the terms set forth in the Third Amendment.

3. **California Accessibility Disclosure.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges that the Common Areas and the Premises have not undergone inspection by a Certified Access Specialist (CASp).

4. **No Further Modification.** Except as set forth in this Third Amendment, all of the terms and provisions of the Lease shall apply with respect to the Expansion Premises and shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, this Fourth Amendment has been executed as of the day and year first above written.

LANDLORD:

**HCP LS REDWOOD CITY, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Jonathan M. Bergschneider  
Executive Vice President

TENANT:

**ONCOMED PHARMACEUTICALS, INC.,**  
a Delaware corporation

By: \_\_\_\_\_  
\_\_\_\_\_  
Print Name  
Its: \_\_\_\_\_

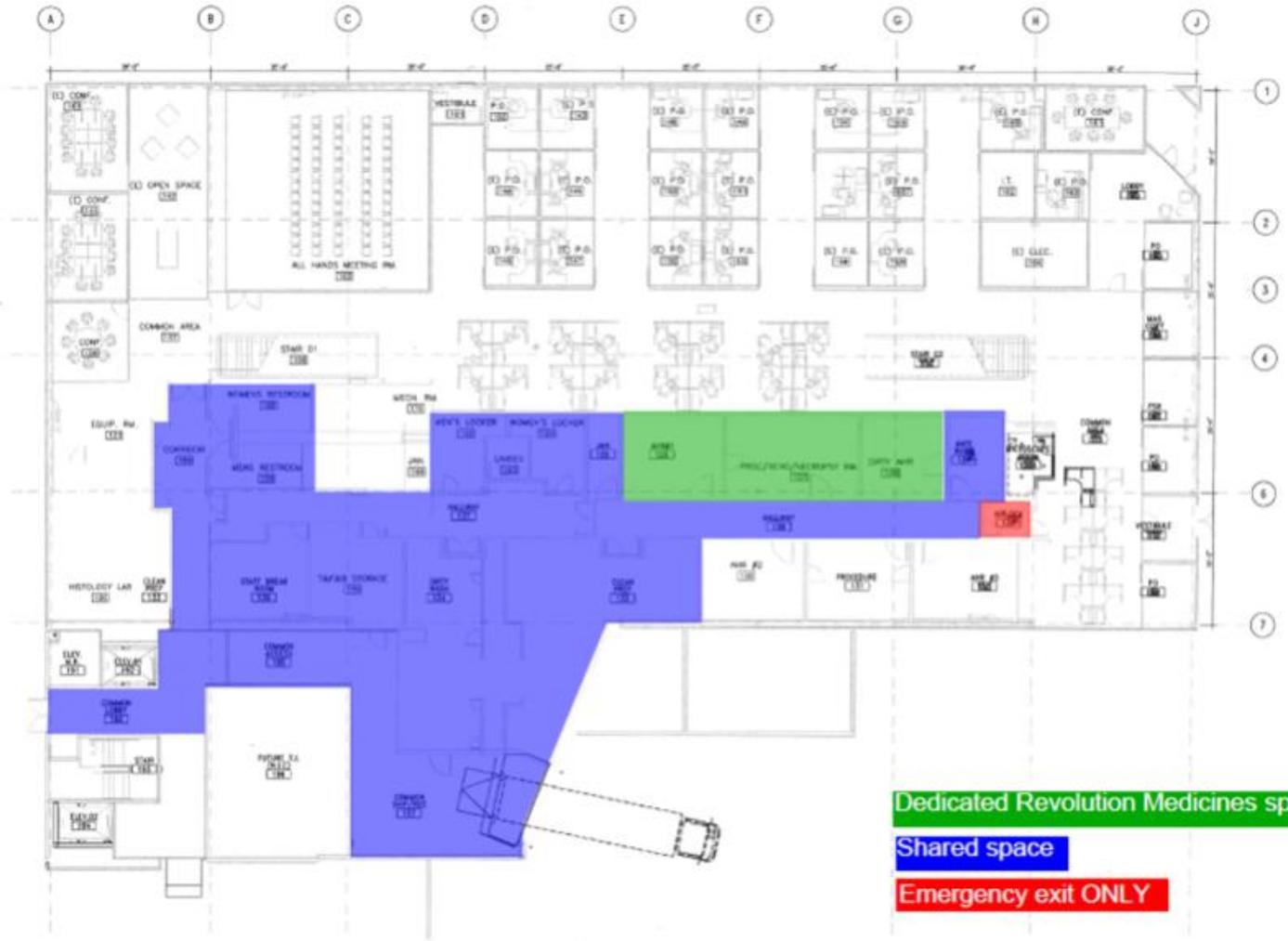
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**EXHIBIT B**

**SUBLEASED PREMISES AND SHARED AREAS**

(attached)

# 800 Chesapeake Drive - First Floor



Dedicated Revolution Medicines space  
Shared space  
Emergency exit ONLY



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**EXHIBIT C**

**ANIMAL CARE AGREEMENT**

(attached)

## ANIMAL CARE AGREEMENT

This ANIMAL CARE AGREEMENT (this “**Agreement**”) is dated as of December \_\_\_\_, 2018 (the “**Effective Date**”) and is made by and between **ONCOMED PHARMACEUTICALS, INC.**, with offices at 800 Chesapeake Drive, Redwood City, CA 94063 (“**OncoMed**”), and **REVOLUTION MEDICINES INC.**, with offices at 700 Saginaw Dr., Redwood City, CA 94063 (“**Company**”). OncoMed and Company are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

WHEREAS, the Parties have entered into that certain Sublease Agreement, dated as of December \_\_\_\_, 2018 (the “**Sublease Agreement**”) pursuant to which Company is subletting certain facilities on OncoMed’s premises (the “**Facilities**”); and

WHEREAS, the Parties wish to allocate responsibilities between themselves for the care of animals in the Facilities, including certain services and supplies to be provided by OncoMed to the Company.

NOW, THEREFORE, in reliance upon and in consideration of the following undertaking, and for other good and valuable consideration, the Parties agree as follows:

### 1. Responsibilities of Each Party.

1.1. Each of the Parties shall be responsible for and perform the duties assigned to such Party in Exhibit A (the “**Duties**”). Each Party shall perform its assigned Duties in a professional manner in accordance with the terms of this Agreement and all applicable law and regulations. Company may not conduct any studies or procedures involving any animals in the Facilities unless and until the applicable protocols for such studies or procedures have been approved by OncoMed’s Institutional Animal Care and Use Committee (the “**IACUC**”). Company shall conduct all studies and procedures involving animals in accordance with such IACUC-approved protocols and shall otherwise comply with all requirements and instructions of the IACUC.

1.2. No Company employee, consultant, contractor, agent, or other representative (“**Company Personnel**”) shall access the Facilities prior to completing OncoMed’s orientation process relating to the Facilities, provided such orientation shall be made available to Company Personnel within five (5) business days of the Sublease Agreement date. If Company adds Company Personnel at any time during the Term, OncoMed shall promptly provide such orientation or train Company Personnel to conduct same.

1.3. Company shall not introduce any animals into the Facilities other than new animals arriving directly from vendors. Without limiting the foregoing, no animals that are already involved in studies as of the Effective Date may be introduced into the Facilities.

1.4. Company will develop and conduct a “sentinel” animal health surveillance program (the “**Company Sentinel Program**”) in accordance with applicable law and regulations and the requirements of the IACUC. Company will pay for the animals for the Company Sentinel Program and OncoMed shall perform the Company Sentinel Program pursuant to its standard protocols and cover all other costs associated therewith, including RADIL testing.

2. Supplies and Equipment. OncoMed will provide Company with the supplies reasonably necessary to operate the Subleased Premises, including but not limited to those supplies listed on Exhibit B (the “**Supplies**”), but excluding disposable cages and associated setup supplies (e.g., water bottles), animals for use by the Company, surgical tools, computers, scales, and calipers. Company may also make reasonable use of the OncoMed equipment listed in Exhibit B (the “**Equipment**”). Without OncoMed’s prior consent, Company may not use any OncoMed equipment other than the Equipment, including without limitation OncoMed’s autoclave and cage washers. If any of the Equipment reasonably requires maintenance or repairs as a result of Company’s use thereof, such maintenance or repairs shall be at Company’s cost.

3. [Intentionally omitted]

4. IACUC Fees. Company shall reimburse OncoMed for all amounts invoiced by the IACUC (and/or its members) relating to any activities of Company, including without limitation in connection with the review and approval of the Company Sentinel Program, Company protocols, and the Company's standard operating procedures for humane endpoints (the "**Company IACUC Fees**"). OncoMed shall invoice Company for all Company IACUC Fees upon OncoMed's receipt of the applicable invoice(s) from the IACUC. Company shall pay all such invoices within thirty (30) days after its receipt thereof. Company shall have the right to have one Company Personnel designated as a member of the IACUC.

5. Service Fee. In consideration for OncoMed's performance of its Duties, the provision of the Supplies, access to the Equipment, Company's use of the IACUC, and other services provided by OncoMed hereunder, Company shall pay to OncoMed, within fifteen (15) days after the Effective Date, a one-time fee in an amount equal to fifteen thousand US dollars (\$15,000).

6. Audits.

6.1. OncoMed and/or its representatives may, at mutually convenient times, audit Company's conduct of its Duties and other activities in the Facilities, including Company's documentation thereof and relevant standard operating procedures (including without limitation those relating to humane endpoints), to ensure Company is in compliance with IACUC requirements, applicable law and regulations, and all OncoMed policies and procedures reasonably imposed on Company's use of the Subleased Premises.

6.2. If Company receives notice that any governmental or regulatory authority, including without limitation the U.S. Department of Agriculture, will conduct an investigation or audit relating to any Company activities conducted in the Facilities, Company shall notify OncoMed in writing immediately, but no later than twenty-four (24) hours after receiving such notice. If Company does not receive prior notice of such investigation or audit, Company shall notify OncoMed as soon as practicable after receiving knowledge of such investigation or audit. Company shall promptly, but in any event within one (1) business day of issuance, provide OncoMed with copies of all materials, statements, forms, records, reports, analyses and correspondences, including warning letters, relating to any such inspection or audit.

7. Confidential Information.

7.1. The term "**Confidential Information**" shall refer to all information provided by either Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") or otherwise learned by or exposed to the Receiving Party as a result of the Parties' conducting their respective Duties and/or sharing space, either directly or indirectly, intentionally or inadvertently, in writing, orally, electronically, or by inspection of tangible objects, and regardless of whether any such information is marked as "confidential" or "proprietary." Any such disclosure of, learning of, or exposure to a Disclosing Party's Confidential Information may be referred to herein as an "**Exposure**" to such Confidential Information. Confidential Information may include, without limitation, information relating to: testing/analysis methods or processes; products (whether investigational or not), samples, specimens, and other materials or compounds; analyses conducted on such products, samples, specimens, or other materials or compounds; information on research and development antibodies, products, and processes; technical know-how; formulas; studies; regulatory submissions and records; research data and information; financial information, business forecasts, business plans, and employee and/or personnel matters; sales and marketing information; inventions; patent applications and other trade secrets.

7.2. The Receiving Party shall (a) hold the Confidential Information in confidence and take all reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of Confidential Information (including, without limitation, all measures the Receiving Party takes to protect its own confidential information), (b) not divulge any such Confidential Information or any information derived therefrom to any third person, (c) not make any use whatsoever at any time of such Confidential Information except as necessary to carry out its obligations under this Agreement, (d) not derive any commercial benefit (whether direct or indirect) from such Confidential Information, and (e) not copy (except as may be necessary to carry out its obligations under this Agreement) or reverse engineer any such Confidential Information.

7.3. The Receiving Party's obligation of confidentiality and restrictions on use shall not apply to Confidential Information that the Receiving Party can demonstrate by reasonable documentary evidence: (a) was in its possession prior to the Receiving Party's Exposure thereto; (b) was in the public domain at the time of the Receiving Party's Exposure thereto; (c) becomes part of the public domain without breach of the Receiving Party's obligations of confidentiality under this Agreement; (d) is received by the Receiving Party from a third party not under confidentiality obligations and without a breach of any obligations of confidentiality, (e) is developed independently by employees of the Receiving Party without access to or knowledge of such Confidential Information, or (f) was permitted to be disclosed by written authorization of the Disclosing Party. The foregoing exceptions shall not apply to Confidential Information merely because such Confidential Information is embraced by more general information in the public domain or in the possession of the Receiving Party.

7.4. The Receiving Party may disclose Confidential Information to the extent required pursuant to an order of a court or administrative agency or other governmental body with valid jurisdiction; provided that the Receiving Party shall, to the extent permitted, provide the Disclosing Party with reasonable advance written notice thereof and provide reasonable cooperation to the Disclosing Party in its efforts to limit such disclosure, whether by protective order or otherwise. Disclosure of any Confidential Information in accordance with the foregoing shall not cause any such information to cease to be Confidential Information except to the extent that such disclosure results in a public disclosure of such information.

7.5. The Receiving Party shall limit the disclosure of Confidential Information to its directors, employees, or agents with a legitimate "need to know" in order to carry out the Receiving Party's obligations under this Agreement and who, prior to disclosure, are bound by obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Agreement. The Receiving Party shall remain responsible for any failure by any such person or entity who receives Confidential Information pursuant to this Section 6.5 to protect such Confidential Information as required under this Agreement.

7.6. Except as otherwise specified in this Agreement, the Receiving Party shall, upon the request of the Disclosing Party, return to the Disclosing Party all Confidential Information in the Receiving Party's possession or control (including any copies or extracts thereof) or destroy such tangible Confidential Information and certify the destruction thereof, except for any copy legally required to be retained for archive purposes.

7.7. The Receiving Party acknowledges and agrees that due to the unique nature of the Confidential Information there may be no adequate remedy at law for any breach of its obligations hereunder, and that upon any such breach or any threat thereof, the Disclosing Party shall be entitled to seek appropriate equitable relief in addition to whatever remedies it might have at law. The Receiving Party shall notify the Disclosing Party in writing immediately upon the occurrence of any unauthorized release of Confidential Information or other breach of which the Receiving Party becomes aware.

7.8. Each Party's obligations with respect to Confidential Information shall remain in effect during the Term and shall survive any expiration or termination of this Agreement for a period of five (5) years thereafter.

8. Intellectual Property. All intellectual property of each Party (a) in existence as of the Effective Date, or (b) developed, conceived, or made after the Effective Date and independently of this Agreement, is and shall remain the exclusive property of such Party. Nothing in this Agreement is intended to grant any option, license, or other rights to either Party under any intellectual property rights of the other Party.

9. Limitations of Warranties and Remedies.

9.1. Except as expressly set forth in Section 1.1, NEITHER PARTY PROVIDES ANY WARRANTIES HEREUNDER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9.2. With the exception of breaches of Section 7, in no event shall either Party be responsible or liable to the other Party under this Agreement for any special, incidental, indirect, exemplary or consequential damages (including, without limitation, lost business or lost profits).

9.3. OncoMed shall not be required to provide any service, Supplies or Equipment to the extent the performance of the same becomes impracticable as a result of a cause or causes outside the reasonable control of OncoMed or to the extent the performance would require OncoMed to violate any applicable laws, rules or regulations or would result in the breach of any contract. In providing any services, OncoMed shall not be obligated to hire any additional employees or maintain the employment of any specific employee; provided that, if OncoMed does not provide sufficient staffing to perform its Duties hereunder and Company is required to incur costs to hire additional staff or contractors to perform such Duties, Company may reduce the Base Rent owed under the Sublease Agreement by an amount equal to the amount actually paid by Company to such additional staff or contractors to perform such Duties, up to a maximum of eight thousand dollars (\$8,000) per month.

10. Indemnification.

10.1. Company shall indemnify, defend and hold harmless OncoMed and its officers, directors, employees, consultants, representatives, and agents (collectively, the "**OncoMed Indemnitees**"), from any and all losses, injuries, harms, costs or expenses, including without limitation, reasonable attorney's fees (collectively, "**Losses**"), incurred by any OncoMed Indemnitee in connection with any claim, suit or action brought by a third party arising from (a) the performance or non-performance of Company's Duties hereunder, (b) Company's use of the Supplies and/or the Equipment, (c) Company's material breach of this Agreement, and (d) the gross negligence or intentional misconduct of any Company Indemnitee (as defined in Section 10.2).

10.2. OncoMed shall indemnify, defend and hold harmless Company and its officers, directors, employees, consultants, representatives, and agents (collectively, the "**Company Indemnitees**"), from any and all Losses incurred by any Company Indemnitee in connection with any claim, suit or action brought by a third party arising from (a) the performance or non-performance of OncoMed's Duties hereunder, (b) OncoMed's material breach of this Agreement, and (c) the gross negligence or intentional misconduct of any OncoMed Indemnitee.

10.3. Any Party seeking indemnity hereunder shall (a) give prompt written notice to the indemnifying Party of any Claim for which indemnification is sought, (b) permit the indemnifying Party to assume full responsibility to investigate, prepare for and defend against such claim, (c) reasonably assist the indemnifying Party, at the indemnifying Party's reasonable expense, in the investigation of, preparation for and defense of such claim, and (d) not compromise or settle such claim without the indemnifying Party's prior written consent. Notwithstanding the foregoing, an indemnifying Party will not settle a claim in such a way as to require an admission of wrongdoing or negligence on the part of any other Party, or incur a financial obligation on behalf of any other Party, without such other Party's written approval, which approval will not be unreasonably withheld, delayed, or conditioned.

#### 11. Term and Termination.

11.1. This Agreement shall be effective from the Effective Date and shall remain in effect until the expiration or earlier termination of the Sublease Agreement (the "**Term**"). This Agreement may only be terminated prior to such date in a written agreement signed by both Parties.

11.2. The termination of this Agreement for any reason shall not relieve the Parties of any obligation accruing prior to such termination, including without limitation any payment obligation. In no way limiting the generality of the foregoing, Sections 4 (to the extent any Company IACUC Fees remain unpaid), 7, 8, 9, 10, 11.2, and 12 shall survive the termination of this Agreement.

#### 12. Miscellaneous.

12.1. Independent Contractors. It is expressly agreed that the relationship between OncoMed and Company shall not constitute a partnership, joint venture or agency. Neither OncoMed nor Company shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party to do so.

12.2. Governing Law. This Agreement and all claims or causes of action (whether in contract, tort, or otherwise) that may be based upon, arise out of, or relate to this Agreement, or the negotiation, execution, or performance of this Agreement, shall be governed by the laws of the State of California without giving effect to any conflict of laws principle that would result in the application of the laws of any other jurisdiction.

12.3. Use of Names. Except as required by law or the rules of any stock exchange or market on which securities of a Party are listed, neither Party shall use the name of the other Party or the names of the employees of the other Party in any advertising or sales promotional material or in any publication without prior written permission of such Party.

12.4. Assignment. Neither Party may assign, or transfer any rights or obligations under, this Agreement without the other Party's prior written consent, except that no such consent shall be required for either Party to assign its rights or transfer its obligations to its affiliate or in connection with the sale or transfer of all or substantially all of its equity, assets or business to which this Agreement relates, whether as part of a merger, acquisition, asset sale or otherwise. Any assignment in violation of this Agreement will be null and void from the beginning. This Agreement benefits and binds the Parties and their respective successors and permitted assigns.

12.5. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future state or federal laws or rules and regulations promulgated thereunder, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

12.6. Notices. Other than payments and routine communications, any notice to be given to a party under or in connection with this Agreement shall be in writing and shall be delivered (a) personally, (b) by a nationally recognized overnight courier or by certified mail, postage prepaid, return receipt requested, (c) via facsimile, with receipt confirmed, or (d) if actually received, by U.S. mail, addressed to such party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and shall be effective upon receipt by the addressee:

If to Company:

Revolution Medicines, Inc.  
700 Saginaw Dr.  
Redwood City, CA 94063  
Attn: Legal  
[\*\*\*]

If to OncoMed:

OncoMed Pharmaceuticals, Inc.  
800 Chesapeake Avenue  
Redwood City, CA 94063  
Attn: Legal  
[\*\*\*]

12.7. Waiver. No waiver of any provision of this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or be construed as a further or continuing waiver of any such provision in any other instance, or of any other provision or condition of this Agreement. No waiver of this Agreement shall be binding upon either Party unless made in writing and signed by a duly authorized representative of such Party and no failure or delay in enforcing any right shall be deemed a waiver.

12.8. Entire Agreement; Amendment. This Agreement (including all Exhibits hereto) supersedes all prior discussions and writings and constitutes the entire agreement between the Parties with respect to the subject matter hereof. This Agreement may only be amended by a written document signed by duly authorized representatives of both Parties.

12.9. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. A facsimile or other digital transmission of this signed Agreement bearing a signature on behalf of a Party shall be legal and binding on such Party. Each Party agrees that electronic signatures may be used in lieu of hand signatures in the execution of this Agreement.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have caused their duly authorized officers to execute and deliver this Animal Care Agreement as of the Effective Date.

**ONCOMED PHARMACEUTICALS, INC.**

**REVOLUTION MEDICINES INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

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

Name: Mark A. Goldsmith

Title: \_\_\_\_\_

Title: Chief Executive Officer

*[Signature Page to Animal Care Agreement]*

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## Exhibit A

### Duties

#### Duties of OncoMed

- Conduct basic animal health-related tasks, consisting of daily health checks, record-keeping related to animal health, cage changing, and house cleaning.
- Receive new Company animals from vendors, including printing out cage cards and moving the animals to the animal holding rooms. Excludes shaving, ear tagging, and weighing animals.
- Receive and put away Company lab supplies, cages, water bottles, bedding, and rodent diets.
- Box dirty cages.
- Report ill animals through OncoMed's Animal Treatment Requirement (ATR) system.
- Review, approve, and conduct the Company Sentinel Program pursuant to OncoMed's standard protocols.
- Permit Company to use the IACUC as necessary for activities conducted in the Facilities.
- Provide bio-waste (including carcass) disposal.

#### Duties of Company

- Notify OncoMed promptly of new orders of animals and supplies.
- Shave, ear tag, and weigh new animals as necessary.
- Provide all necessary supplies other than the Supplies (as described in Section 2)
- Respond to all ATR reports received from OncoMed in a timely manner and in accordance with OncoMed's ATR process and applicable law and regulations.
- Draft, maintain, and receive IACUC approval of standard operating procedures for humane endpoints.
- Develop the Company Sentinel Program under the oversight of OncoMed and the IACUC.
- Clean and maintain all supplies and equipment used by Company.
- Keep all portions of the Facilities clean and organized.

**Exhibit B**  
**Supplies; Equipment**

Supplies

- Shoe covers
- Disposable lab coats
- Spor-Klenz
- Alcohol (70%)
- Ice
- Dry ice
- Food and bedding
- Liquid nitrogen
- Disposables required for surgical procedures (i.e., diapers, kimwipes and biohazard bags)
- Reasonable amounts of controlled substances for infrequent use, provided that Company shall access and log any use through the OncoMed controlled substances protocols, but OncoMed shall retain control over such controlled substances and shall be accountable for reconciling stocks and usage records.

Equipment Useable by Company.

- Isoflurane vaporizers (2)
- Biosafety cabinets (3)
- Cage changing stations (4)
- Personnel lockers
- Sharps disposal containers
- Refrigerators
- Freezers

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**EXHIBIT D**

**ENVIRONMENTAL QUESTIONNAIRE**

(provided separately)

## LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of this 22 day of August, 2012, between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **WARP DRIVE BIO, LLC**, a Delaware limited liability company ("**Tenant**").

### BASIC LEASE PROVISIONS

**Address:** 400 Technology Square, Cambridge, Massachusetts

**Premises:** That portion of the Project consisting of approximately 21,621 rentable square feet of space located on the 2nd floor of the Building, as shown on **Exhibit A**.

**Building:** The specific building in which the Premises are located, which building is within the Project and located at 400 Technology Square, also known as Unit 400 of the Condominium described in **Exhibit B**.

**Project:** The real property on which the Building is located, also known as Technology Square Condominium (the "**Condominium**"), together with all improvements thereon and appurtenances thereto from time to time located thereon in the City of Cambridge, Middlesex County, Commonwealth of Massachusetts, as described on **Exhibit B**. The Landlord reserves the right to modify the Condominium at any time and from time to time, but the parties acknowledge the Condominium presently consists of Units 100, 200, 300, 400, 500, 600 and 700 (also known as Buildings 100, 200, 300, 400, 500, 600 and 700), as well as specified common areas on the Condominium (including the Technology Square Garage).

**Base Rent:** \$59.25 per rentable square foot of the Premises per year, subject to annual increase on the Adjustment Date as set forth herein.

**Rentable Area of Premises:** 21,621 sq. ft.

**Rentable Area of Building:** 212,123 sq. ft.  
**Tenant's Share of Operating Expenses:** 10.19%

**Rentable Area of Project:** 1,182,204 sq. ft. **Building's Share of Project:** 17.94%

**Security Deposit:** \$320,261.06

**Target Commencement Date:** February 5, 2013; provided, however, that the Target Commencement Date shall be extended 1 day for each day after October 1, 2012, that the TI Construction Drawings (as defined in the Work Letter) are not completed and mutually approved by Landlord and Tenant.

**Rent Adjustment Percentage:** 3% per annum  
**Base Term:** Beginning on the Commencement Date and ending 60 months from the first day of the first full month after the Commencement Date (as defined in Section 2) hereof.  
**Permitted Use:** Research and development laboratory, related office and other related uses consistent with the current character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

**Address for Rent Payment:**  
385 East Colorado Boulevard, Suite 299  
Pasadena, CA 91101  
Attention: Accounts Receivable

**Landlord's Notice Address:**  
385 East Colorado Boulevard, Suite 299  
Pasadena, CA 91101  
Attention: Corporate Secretary

**Tenant's Notice Address:**  
400 Technology Square, Second Floor  
Cambridge, MA 01239  
Attention: Ken Mullen

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

**EXHIBIT A** – PREMISES DESCRIPTION

**EXHIBIT B** – DESCRIPTION OF PROJECT

**EXHIBIT C** – WORK LETTER

**EXHIBIT D** – COMMENCEMENT DATE

**EXHIBIT E** – RULES AND REGULATIONS

**EXHIBIT F** – TENANT'S PERSONAL PROPERTY

1. **Lease of Premises.** Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project (including but not limited to the restrooms, elevators, stairways, lobbies, corridors, walkways and Building entrances) are collectively referred to herein as the "**Common Areas**." Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of the Premises for the Permitted Use. From and after the Commencement Date through the expiration of the Term, Tenant shall have access to the Building, the Premises and the Technology Square Garage 24 hours a day, 7 days a week, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or any other temporary interruptions, and otherwise subject to the terms of this Lease.

**2. Delivery; Acceptance of Premises; Commencement Date.** Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with Landlord's Work Substantially Completed ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not deliver the Premises to Tenant on or before the date that is 30 days after the Target Commencement Date (as such date may be extended by Force Majeure delays and Tenant Delays) ("**Abatement Date**"), the Base Rent payable by Tenant as of the Commencement Date shall be abated 1 day for each day after the Abatement Date (as such date may be extended for Force Majeure delays and Tenant Delays) that Landlord fails to Deliver the Premises to Tenant. If Landlord does not Deliver the Premises within 90 days of the Target Commencement Date for any reason other than Force Majeure delays and Tenant Delays, this Lease may be terminated by Landlord or Tenant by written notice to the other (except that Landlord shall have no right to terminate this Lease other than in the event of Force Majeure), and if so terminated by either: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work**," "**Tenant Delays**" and "**Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter. If neither Landlord nor Tenant elects to void this Lease within 15 business days of the lapse of such 90 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The "**Commencement Date**" shall be the earliest of: (i) the date Landlord Delivers the Premises to Tenant; (ii) the date Landlord could have Delivered the Premises but for Tenant Delays; and (iii) the date Tenant conducts any business in the Premises or any part thereof. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, and the expiration date of the Term when such are established in the form of the "**Acknowledgement of Commencement Date**" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above on the first page of this Lease and the Extension Term which Tenant may elect pursuant to Section 39 hereof.

Landlord shall permit Tenant access to the Premises commencing on the date that is 30 days prior to the Commencement Date for Tenant's installation and set up of its tele/data cabling, workstations and furniture, fixtures and equipment in the Premises ("**FF&E Installation**"), provided that such FF&E Installation is coordinated with Landlord, and Tenant complies with the Lease and all other reasonable restrictions and conditions Landlord may impose. All such access shall be during normal business hours. Notwithstanding the foregoing, Tenant shall have no right to enter onto any portion of the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance required to be maintained by Tenant under Section 17 of this Lease is in full force and effect. Any access to the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses (including Utilities).

Except as set forth in the Work Letter: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken.

For the period of 30 consecutive days after the Commencement Date, Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building or Building Systems (as defined in Section 13), unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

### 3. Rent.

(a) **Base Rent.** The first month's Base Rent and the Security Deposit shall be due and payable on or before October 25, 2012. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, equal monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. If the Commencement Date is other than the first day of a calendar month, the difference between the first full calendar month's Base Rent paid upon delivery of an executed copy of the Lease by Tenant to Landlord as required above, and the prorated Base Rent for the fractional month in which the Commencement Date occurs, shall be applied by Landlord to the first full calendar month after the Commencement Date. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

(b) **Additional Rent.** In addition to Base Rent, commencing on the Commencement Date, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "**Operating Expenses**" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

**4. Base Rent Adjustments.** Base Rent shall be increased on each annual anniversary of the Commencement Date (each an “**Adjustment Date**”) by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

**5. Operating Expense Payments.** Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the “**Annual Estimate**”), which may be revised by Landlord from time to time during such calendar year. During each month of the Term after the Base Year, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12th of Tenant’s Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term “**Operating Expenses**” means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Building (including the Building’s Share of Project of all other costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project and the Condominium (including without limitation all costs of compliance with the PTDM, as hereinafter defined) which are not specific to the Building or any other building located in the Project) (including, without duplication, Taxes (as defined in Section 9), capital repairs and improvements amortized over the useful life of such capital items as reasonably determined by Landlord taking into account all relevant factors, and the costs of Landlord’s third party property manager or, if there is no third-party property manager, administration rent in the amount of 3.0% of Base Rent), excluding only:

- (a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;
- (b) capital expenditures for expansion of the Project;
- (c) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;
- (d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);
- (e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;
- (f) legal and other expenses incurred in the negotiation or enforcement of leases;
- (g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(i) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(j) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(k) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(l) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(m) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(n) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(o) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(p) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(q) costs incurred in the sale or refinancing of the Project;

(r) costs incurred in connection with the clean-up, response action or remediation of Hazardous Materials on the Project or in the Premises that Tenant demonstrates to Landlord's reasonable satisfaction were present on the Project or in the Premises prior to the date of this Lease, except to the extent Tenant and/or any of the Tenant Parties have exacerbated or contributed to such contamination;

(s) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein; and

(t) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 90 day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent regionally recognized public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Building is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year shall be computed as though the Building had been 95% occupied on average during such year.

“**Tenant’s Share**” shall be the percentage set forth on the first page of this Lease as Tenant’s Share as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably increase Tenant’s Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant’s Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as “**Rent.**”

6. **Security Deposit.** Tenant shall deposit with Landlord, on or before October 25, 2012, a security deposit (the “**Security Deposit**”) for the performance of all of Tenant’s obligations hereunder in the amount set forth on page 1 of this Lease, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the “**Letter of Credit**”): (i) in form and substance satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft (which may be presented by delivery by overnight courier) at the financial institution’s offices in the United States. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit. The Security Deposit shall be held by Landlord as security for the performance of Tenant’s obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord’s damages in case of Tenant’s default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord’s right to use the Security Deposit under this Section 6 includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to the amount set forth on Page 1 of this Lease. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Upon any such use of all or any portion of the Security Deposit, Tenant shall, within 5 days after demand from Landlord, restore the Security Deposit to its original amount. If Tenant shall fully perform every provision of this Lease to be

performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 90 days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6, or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

If, as of the expiration of the 24<sup>th</sup> month of the Base Term, Tenant is not in Default of this Lease and has not been in Default of this Lease at any time during the Term ("**Reduction Requirement**"), then the Security Deposit shall be reduced to \$213,507.38 (the "**Reduced Security Deposit**"). If Tenant has met the Reduction Requirement and delivers a written request to Landlord for such reduction of the Security Deposit, Landlord shall cooperate with Tenant, at no cost, expense or liability to Landlord, to reduce the Letter of Credit then held by Landlord to the amount of the Reduced Security Deposit. If the Security Deposit is reduced as provided herein, then from and after the date of such reduction, the "**Security Deposit**" shall be deemed to be the Reduced Security Deposit, for all purposes of this Lease.

**7. Use.** The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas,

or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Landlord has disclosed to Tenant that the Project is the subject of an Activity and Use Limitation, which is incorporated herein by reference, and Tenant acknowledges receipt of a copy of such Activity and Use Limitation prior to execution of this Lease.

Landlord shall be responsible for the compliance of the Common Areas of the Project and the Premises with the ADA as of the Commencement. Following the Commencement Date, Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located) and at Tenant's expense (to the extent such Legal Requirement is triggered by reason of Tenant's, as compared to other tenants of the Project, specific use of the Premises or Tenant's alterations) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements. Subject to Landlord's performance of its obligations in the Work Letter, Tenant, at its sole expense, shall make any alterations or modifications to the interior or the exterior of the Premises or the Project that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's use or occupancy of the Premises. Subject to Landlord's performance of its obligations in the Work Letter, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements related to Tenant's use or occupancy of the Premises, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all such Claims.

**8. Holding Over.** If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) if Tenant's period of holdover exceeds 30 days, Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential

damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes.** Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as “**Taxes**”), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, “**Governmental Authority**”) during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by, any Governmental Authority, (v) imposed as a license or other fee, charge, tax or assessment on Landlord’s business or occupation of leasing space in the Project, or (vi) assessed or imposed by or on the operation or maintenance of any portion or whole of the Condominium (provided that to the extent any Taxes are assessed against the Condominium as a whole, such amounts shall be allocated among the buildings located in the Condominium based on the square footage of the buildings in question, unless Landlord reasonably determines that such allocation should be made on another basis). Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant’s personal property or trade fixtures are levied against Landlord or Landlord’s property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord’s determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking.** Subject to all matters of record, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, Landlord shall make available to Tenant up to 32 parking spaces in the Technology Square Garage on a non-exclusive basis at market rates in those areas designated for non-reserved parking, subject in each case to Landlord’s rules and regulations; provided, however, that Tenant during the first 12 months of the Term shall be required to pay for a minimum of 15 parking spaces and following the Parking

Determination Date (as defined below), Tenant shall be required to pay for a minimum of 21 parking spaces. Landlord may allocate parking spaces among Tenant and other tenants in the Project if Landlord determines that such parking facilities are becoming crowded. Tenant shall pay to Landlord or as directed by Landlord, monthly as Additional Rent hereunder, the market rate for each parking space, as reasonably determined by Landlord from time to time, which as of the date hereof shall be \$220.00 per space per month.

Tenant shall notify Landlord prior to the Commencement Date as to how many parking spaces (which amount shall not be lower than 15 parking spaces or exceed 32 parking spaces) that Tenant will initially use hereunder. If Tenant initially elects to use fewer than 32 parking spaces and, prior to the first anniversary of the Commencement Date (the "**Parking Determination Date**"), Tenant shall give Landlord notice to Landlord if it wishes to use additional spaces during the Term following the Parking Determination Date (which shall not be lower than 21 or to exceed 32 parking spaces in the aggregate hereunder), Landlord shall make available and Tenant shall commence paying for any such additional spaces on the date that is 30 days after Tenant's notice to Landlord. If Tenant has not elected to use all 32 parking spaces prior to the Parking Determination Date and delivers notice to Landlord thereafter that it wishes, in its reasonable discretion, to use additional parking spaces (not to exceed 32 parking spaces in the aggregate hereunder), and Landlord determines, in its reasonable discretion, that any additional spaces are available in the Technology Square Parking Garage, for use by Tenant, Landlord shall make available and Tenant shall commence paying for any such additional spaces on the date that is 30 days after Tenant's notice to Landlord. Tenant acknowledges and agrees that Landlord shall have no obligation to provide Tenant with any additional spaces following the Parking Determination Date. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project.

Tenant shall, at Tenant's sole expense, for so long as the Parking and Traffic Demand Management Plan dated May 9, 1999 as approved by the City of Cambridge on July 9, 1999, including the conditions set forth in such approval (as amended from time to time, the "**PTDM**"), remains applicable to the Condominium, (i) offer to subsidize mass transit monthly passes for all of its employees; (ii) implement a Commuter Choice Program; (iii) discourage single-occupant vehicle ("**SOV**") use by its employees; (iv) promote alternative modes of transportation and use of alternative work hours; (v) meet with Landlord and/or its representatives no more than quarterly discuss transportation programs and initiatives; (vi) participate in annual surveys monitoring transportation programs and initiatives at Technology Square; (vii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM; (viii) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours; and (ix) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.

**11. Utilities, Services.** Landlord shall provide, subject to the terms of this Section 11, water, electricity, heat, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and with respect to the Common Areas only, refuse and trash collection and janitorial services (collectively, "**Utilities**"). Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar

charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. As part of the Tenant Improvements, Landlord shall cause the Premises to be separately submetered for electricity and, commencing on the Commencement Date, Tenant shall pay to Landlord the cost of electricity consumed in the Premises based on such submeter as Additional Rent. Tenant shall pay directly to the Utility provider, prior to delinquency, the cost of separately metered Utilities furnished to Tenant or the Premises during the Term. With the exception only of electricity (or any other Utilities) separately metered or submetered to the Premises as provided above, Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Tenant may elect to provide and pay directly for janitorial services and trash collection for the Premises. Landlord shall provide, as an Operating Expense, a dumpster and/or compactor for use by Tenant in common with others entitled thereto for the disposal of non-hazardous and non-controlled substances and material.

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators with not less than the capacity of the emergency generators located in the Building as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative backup generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed.

Tenant may use the freight elevator and loading dock in common with others entitled thereto at no additional charge. The regular hours of operation of the freight elevator and loading dock are 24 hours per day, 7 days per week, subject to downtime for maintenance and repairs.

**12. Alterations and Tenant's Property.** Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld or delayed. If Landlord approves any Alterations, Landlord may impose

such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, within 10 days after demand, Landlord's out-of-pocket expenses for plan review, coordination, scheduling and supervision in connection with any Alterations. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant's Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to be paid as administrative rent a fee of \$1,000 per occurrence for its time and effort in preparing and negotiating such a waiver of lien.

Other than (i) the items, if any, listed on **Exhibit F** attached hereto, (ii) any items agreed by Landlord in writing to be included on **Exhibit F** in the future, and (iii) any trade fixtures, machinery, equipment and other personal property not paid for out of the TI Fund (as defined in the Work Letter) which may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, "**Tenant's Property**"), all property of any kind paid for with the TI Fund, all Alterations, real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises such as fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, "**Installations**") shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 28 following the expiration or earlier termination of this Lease; provided, however, that Landlord shall, at the time its approval of such Installation is requested notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease. If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant's Property which was plumbed, wired or otherwise connected to any of the Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

13. **Landlord's Repairs.** Landlord, as an Operating Expense, shall maintain all of the structural, exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense.

Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 24 hours advance notice of any planned stoppage of Building Systems services for

routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs.** Subject to Section 13 and Section 18 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition, damage covered by Section 18 and ordinary wear and tear excepted, all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens.** Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after Tenant receives notice of the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification.** Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, unless caused solely by the willful misconduct or negligence of Landlord.

Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance.** Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project or such lesser coverage amount as Landlord may elect provided such coverage amount is not less than 90% of such full replacement cost. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than \$2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than \$2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance policy shall name Alexandria Real Estate Equities, Inc. and Landlord, its officers, directors, employees, managers, agents, invitees and contractors and the Additional Insured Parties (as defined in the next succeeding paragraph) (collectively, "**Landlord Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 30 days prior written notice shall have been given to Landlord from the insurer; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to the following parties (collectively "**Additional Insured Parties**"): (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, (iii) any management company retained by Landlord to manage the Project, (iv) the condominium association with respect to the Condominium, (v) any member, partner or shareholder of Landlord or the owner of any beneficial interest therein and/or (vi) any other party reasonably designated by Landlord.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder or actually maintained by such party, whichever is greater, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project; provided, however, that the increased amount of coverage is consistent with coverage amounts then being required by institutional owners of similar projects with tenants occupying similar size premises in the geographical area in which the Project is located.

18. **Restoration.** If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 12 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 5 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless either

Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in [Section 30](#)) in, on or about the Premises (collectively referred to herein as “**Hazardous Materials Clearances**”); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 5 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in [Section 34](#)) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly reenter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease upon written notice to the other if the Premises are damaged during the last 9 months of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within 10 business days after the date that Landlord provides Tenant with written notice of the estimated Restoration Period. Landlord shall also have the right to terminate this Lease if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space reasonably acceptable to Tenant during the period of repair that is suitable for the temporary conduct of Tenant’s business. Such abatement shall be the sole remedy of Tenant, and except as provided in this [Section 18](#), Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this [Section 18](#), constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this [Section 18](#) sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation.** If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a “**Taking**” or “**Taken**”), and the Taking would in Landlord’s reasonable judgment either prevent or materially interfere with Tenant’s use of the Premises or materially interfere with or impair Landlord’s ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant’s Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant’s interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord’s award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant’s trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default.** Each of the following events shall be a default (“**Default**”) by Tenant under this Lease:

(a) **Payment Defaults.** Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 business days of any such notice not more than twice in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law; provided, further, however, that no such notice or opportunity to cure shall be required for any failure by Tenant to pay the first month’s Base Rent and deliver the Security Deposit to Landlord at such time as required pursuant to Section 3(a) above.

(b) **Insurance.** Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) **Abandonment.** Tenant shall abandon the Premises.

(d) **Improper Transfer.** Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant’s interest in this Lease or the Premises except as expressly permitted herein, or Tenant’s interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens.** Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 10 days after any such lien is filed against the Premises.

(f) **Insolvency Events.** Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement.** Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 business days after a second notice requesting such document.

(h) **Other Defaults.** Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice.

#### 21. Landlord's Remedies.

(a) **Payment By Landlord; Interest.** Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent.** Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum of 6% of the overdue Rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies.** Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever. No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all right of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 21(c) provided. If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may from time to time re-let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to make commercially reasonable alterations in and repairs to the Premises.

(ii) In the event of any termination of this Lease as in this Section 21 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejection or otherwise, and again have, repossess and enjoy the same as if this Lease had not been made, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises. Landlord, at its option, notwithstanding any other provision of this Lease, shall be entitled to recover from Tenant, as and for liquidated damages, the sum of:

(A) all Base Rent, Additional Rent and other amounts payable by Tenant hereunder then due or accrued and unpaid: and

(B) the amount equal to the aggregate of all unpaid Base Rent and Additional Rent which would have been payable if this Lease had not been terminated prior to the end of the Term then in effect, discounted to its then present value in accordance with accepted financial practice using a rate of 5% per annum, for loss of the bargain; and

(C) all other damages and expenses (including attorneys' fees and expenses), if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease; less

(D) the net proceeds of any re-letting actually received by Landlord and the amount of damages which Tenant proves could have been avoided had Landlord taken reasonable steps to mitigate its damages.

(iii) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law, but in each case not more than the amount to which Landlord would otherwise be entitled under this Section 21.

(iv) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease.

(v) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise. The words "enter", "re-enter", and "re-entry" are not restricted to their technical legal meanings.

(vi) If either party shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof, the non-prevailing party shall pay to the prevailing party all fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including attorneys' fees and expenses.

(vii) If Tenant shall default in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant (a) immediately or at any time thereafter and without notice in the case of emergency or in case such default will result in a violation of any legal or insurance requirements, or in the imposition of any lien against all or any portion of the Premises (but only after Tenant has failed to respond to such lien as permitted by Section 15 within the time period provided in Section 15), and (b) in any other case if such default continues after any applicable notice and cure period provided in Section 21. All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the

account of Tenant and also all reasonable costs and expenses, including attorneys' fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 days after demand.

(viii) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d), at Tenant's expense, to the extent provided in Section 30(d).

(ix) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21(c). Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant.

(x) Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing. No waiver of any provision of this Lease shall be deemed to have been made unless expressly so made in writing. Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy.

## **22. Assignment and Subletting.**

(a) **General Prohibition.** Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 25% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this

Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, any public offering of shares or other ownership interest in Tenant or any private equity financing by one or more investors who regularly invest in private biotechnology companies, for which Tenant has given Landlord prior (to the extent prior notice is permitted by applicable law) or concurrent written notice, shall not be deemed an assignment.

(b) **Permitted Transfers.** If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the “**Assignment Date**”), Tenant shall give Landlord a notice (the “**Assignment Notice**”) containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, or (ii) refuse such consent, in its reasonable discretion. Among other reasons, it shall be reasonable for Landlord to withhold its consent in any of these instances: (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord’s reasonable judgment, the use of the Premises by the proposed assignee or subtenant would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord; (3) in Landlord’s reasonable judgment, the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are controversial such that they may (i) attract or cause negative publicity for or about the Building or the Project, (ii) negatively affect the reputation of the Building, the Project or Landlord, or (iii) attract protestors to the Building or the Project; (4) in Landlord’s reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease; (5) in Landlord’s reasonable judgment, the character, reputation, or business of the proposed assignee or subtenant is inconsistent with the desired tenant-mix or the quality of other tenancies in the Project or is inconsistent with the type and quality of the nature of the Building; (6) Landlord has received from any prior landlord to the proposed assignee or subtenant a negative report concerning such prior landlord’s experience with the proposed assignee or subtenant; (7) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (8) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (9) the proposed assignee or subtenant, or any entity that, directly or indirectly, controls, is controlled by, or is under common control with the proposed assignee or subtenant, is then an occupant of the Project if at the relevant time Landlord has comparable space available for lease; (10) the proposed assignee or subtenant is an entity with whom Landlord is negotiating to lease space in the Project if at the relevant time Landlord has comparable space available for lease; or (11) the assignment or sublease is prohibited by Landlord’s lender. No failure of Landlord to respond to any Assignment Notice shall be deemed to be Landlord’s consent to the proposed assignment, sublease or other transfer. Landlord shall, however, use reasonable efforts to timely respond to all Assignment Notices. Tenant shall pay to Landlord a fee equal to One Thousand

Five Hundred Dollars (\$1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control Permitted Assignment**") shall not be required, provided that Landlord shall have the right to approve the form of any such sublease or assignment. In addition, Tenant shall have the right to assign this Lease, upon 10 days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the Commencement Date, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease arising after the effective date of the assignment (a "**Corporate Permitted Assignment**"). Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**."

(c) **Additional Conditions.** As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in Default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents.** Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. Other than in connection with a Permitted Assignment, if the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease) ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver.** The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee.** Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate.** Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, constitute a Default under this Lease and, in any event, be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment.** So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations.** All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations.** Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination.** This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however, that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be reasonably requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments,

ground leases or other superior leases and any other encumbrances, and any reference to the “**Holder**” of a Mortgage shall be deemed to include the beneficiary under a deed of trust. Landlord agrees to use reasonable efforts to cause the Holder of the current Mortgage and, upon the written request of Tenant, any future Holder of a Mortgage to enter into a subordination, non-disturbance and attornment agreement (“**SNDA**”) with Tenant with respect to this Lease. The SNDA shall be on the form proscribed by the Holder and Tenant shall pay the Holder’s fees and costs in connection with obtaining such SNDA; provided, however, that Landlord shall request that Holder make any changes to the SNDA requested by Tenant. Landlord’s failure to cause the Holder to enter into the SNDA with Tenant (or make any of the changes requested by Tenant) shall not be a default by Landlord under this Lease.

28. **Surrender.** Upon the expiration of the Term or earlier termination of Tenant’s right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, “**Tenant HazMat Operations**”) and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the “**Surrender Plan**”). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord’s environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant’s expense as set forth below, to cause Landlord’s environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord’s environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed \$1,500. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord’s environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as

Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

**29. Waiver of Jury Trial.** TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

### **30. Environmental Requirements.**

(a) **Prohibition/Compliance/Indemnity.** Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, reasonable attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other

relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, “**Environmental Claims**”) which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord’s approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30, Tenant shall not be responsible for, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to contamination (i) in the Premises which Tenant can prove to Landlord’s reasonable satisfaction existed in the Premises immediately prior to the Commencement Date, or (ii) caused by Landlord or any Landlord’s employees, agents and contractors; provided, however, except to the extent in both cases Tenant and/or the Tenant Parties have exacerbated or contributed to such contamination.

(b) **Business.** Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises (“**Hazardous Materials List**”). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the “**Haz Mat Documents**”) relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord’s sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or

under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with [Section 28](#) cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty.** Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing.** Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this [Section 30](#), or the environmental condition of the Premises or the Project. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such nonproprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. Access to the Premises shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions for which Tenant is responsible pursuant to this [Section 30](#) and that are identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against Tenant.

(e) **Underground Tanks.** If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(f) **Tenant's Obligations.** Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(g) **Definitions.** As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security.** Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure.** Landlord shall not be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of Landlord ("**Force Majeure**").

35. **Brokers.** Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Cushman & Wakefield and Richard Barry Joyce & Partners. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

**36. Limitation on Landlord's Liability.** NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

**37. Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

**38. Signs; Exterior Appearance.** Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Signage on the floor of the Premises and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Landlord, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

39. **Right to Extend Term.** Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Right.** Tenant shall have 1 right (an “**Extension Right**”) to extend the term of this Lease for 5 years (an “**Extension Term**”) on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise the Extension Right at least 9 months prior to the expiration of the Base Term of the Lease.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of the Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, “**Market Rate**” shall mean the then market rental rate as determined by Landlord and agreed to by Tenant, which shall in no event be less than the average Base Rent payable by Tenant over the Base Term of the Lease. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord’s determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.

**(b) Arbitration.**

(i) Within 10 days of Tenant’s notice to Landlord of its election (**or deemed election**) to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct (“**Extension Proposal**”). If either party fails to timely submit an Extension Proposal, the other party’s submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party’s submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An “**Arbitrator**” shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater Cambridge metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years’ experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Cambridge metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal.** The Extension Right is personal to Tenant and is not assignable without Landlord’s consent, which may be granted or withheld in Landlord’s sole discretion separate and apart from any consent by Landlord to an assignment of Tenant’s interest in the Lease, except that they may be assigned in connection with any Permitted Assignment of this Lease.

(d) **Exceptions.** Notwithstanding anything set forth above to the contrary, at Landlord’s option, the Extension Right shall not be in effect and Tenant may not exercise the Extension Right:

(i) during any period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured.

(e) **No Extensions.** The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant’s inability to exercise the Extension Right.

(f) **Termination.** The Extension Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

40. **Roof Equipment.** As long as Tenant is not in Default under this Lease, Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building directly above the Premises one or more satellite dishes communication antennae, or other equipment (all of which having a diameter and height acceptable to Landlord) for the transmission or reception of communication of signals as Tenant may from time to time desire (collectively, the "**Roof Equipment**") on the following terms and conditions:

(a) **Requirements.** Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leaseable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof.** If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building located directly above the Premises and only in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

(c) **Protection.** The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment.

(d) **Removal.** At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building. Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) **No Interference.** The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building. Tenant acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that Tenant's right to install and operate the Roof Equipment is subject and subordinate to the rights of such other tenants. Tenant agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Roof Equipment.

(f) **Relocation.** Landlord shall have the right, at its expense and after 60 days' prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and connection to the Premises and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment.

(g) **Access.** Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant. Landlord shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance.** If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) **No Assignment.** The right of Tenant to use and operate the Roof Equipment shall be personal solely to Warp Drive Biosynthetics, Inc., a Delaware corporation, and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (ii) other than in connection with any Permitted Assignment of this Lease, Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof.

#### 41. Miscellaneous.

(a) **Notices.** All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability.** If and when included within the term “**Tenant**,” as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information.** Tenant shall furnish Landlord with true and complete copies of (i) Tenant’s most recent audited annual financial statements within 120 days of the end of each of Tenant’s fiscal years during the Term, (ii) Tenant’s most recent unaudited quarterly financial statements within 60 days of the end of each of Tenant’s first three fiscal quarters of each of Tenant’s fiscal years during the Term, (iii) at Landlord’s request from time to time but not more than once in any 12 month period, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. So long as Tenant is a “public company” and its financial information is publicly available, then the foregoing delivery requirements of this Section 41(c) shall not apply.

(d) **Recordation.** Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation.** The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed.** The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest.** It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law.** Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time.** Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC.** Tenant, and all beneficial owners of Tenant, are currently (i) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (ii) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (iii) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference.** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement.** This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **Change in Form of Ownership.** Pursuant to M.G.L. Chapter 183A, Section 19, Landlord reserves the right to remove all or part of the Condominium from the provisions of M.G.L. Chapter 183A. In the event that Landlord does remove all or part of the Condominium from the provisions of M.G.L. Chapter 183A, the amounts payable by Tenant pursuant to this Lease shall not be greater than the amounts that would have been otherwise payable by Tenant if Landlord had not removed all or part of the Condominium from the provisions of M.G.L. Chapter 183A.

(n) **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(o) **Hazardous Activities.** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

[ Signatures on next page ]

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

**TENANT:**

**WARP DRIVE BIO, LLC,**  
a Delaware limited liability company

By: /s/ Alexis Borisy

Its: Alexis Borisy  
CEO

**LANDLORD:**

**ARE-TECH SQUARE, LLC,**  
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,  
a Delaware limited liability company,  
its manager

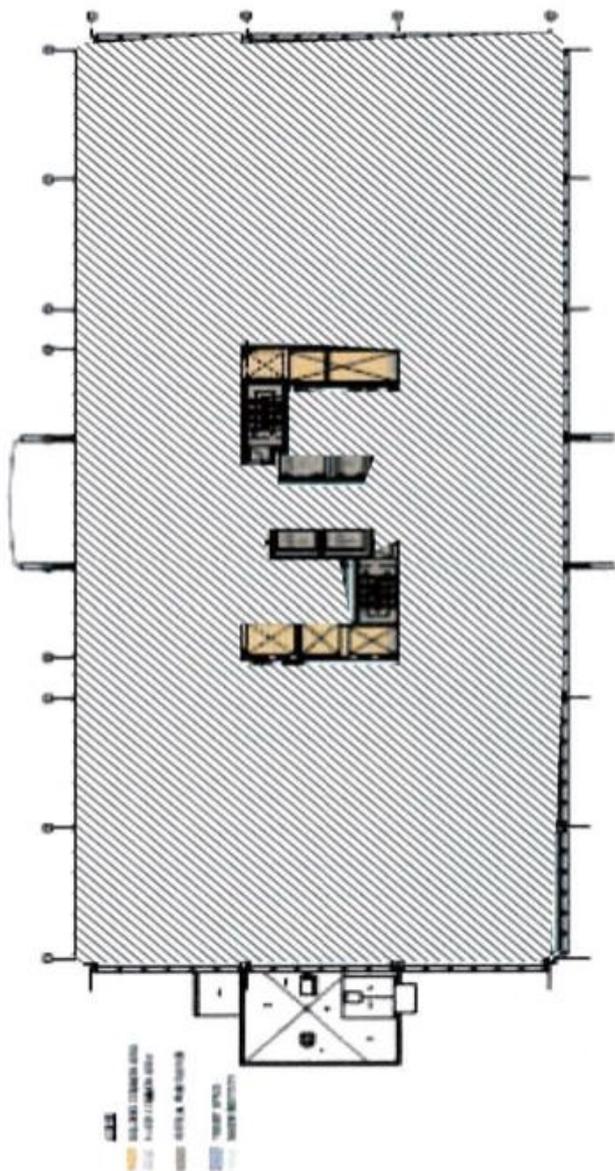
By: ALEXANDRIA REAL ESTATE EQUITIES,  
L.P.,  
a Delaware limited partnership,  
managing member

By: ARE-QRS CORP.,  
a Maryland corporation,  
general partner

By: /s/ Eric S. Johnson  
Its: Eric S. Johnson  
Vice President  
Real Estate Legal Affairs

DESCRIPTION OF PREMISES

400 Tech Square  
2nd Floor



 Premises

**EXHIBIT B TO LEASE**

**DESCRIPTION OF PROJECT**

The following parcels of land in Cambridge, Middlesex County, Massachusetts:

The Registered Land shown as Lots 15,16 and 19 on Land Court Plan No. 30711E, Lot 43 on Land Court Plan No. 30711J and Lots 46 and 47 on Land Court Plan No. 30711K, and

The Unregistered Land shown as Area No. 1, Area No. 2, Area No. 3, Area No. 4, Area No. 5, Area No. 6, Area No. 7, Area No. 8 and Area No. 9 on a plan entitled "Plan of Land and Easements, Cambridge, Mass." Prepared by Raymond C. Pressey, Inc., dated June 1970 and recorded with the Middlesex South Registry of Deeds in Book 11879, Page 393, Plan 852 (A of 2) of 1970.

Excepting therefrom that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated April 12, 1982 and recorded in Book 14590, Page 221 and that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated January 27, 1983 and recorded in Book 14891, Page 556.

Said parcels are also described as Units 100, 200, 300, 400, 500, 600 and 700 of that certain condominium known as the Technology Square Condominium, as set forth in that certain Master Deed dated November 30, 2000, executed by Technology Square LLC, and recorded with the Registry in Book 32159, at Page 490, and registered with the Land Court as Document No. 1158816, under Certificate of Title No. C404, as the same has been amended by that certain Amendment to Master Deed dated May 28, 2002, and recorded with the Registry as Instrument No. 690 on September 6, 2002, and registered with the Land Court as Document No. 1226564, and as the same has been amended by that certain Second Amendment to Master Deed dated as of November 15, 2002, and recorded with the Registry as Instrument No. 1617 on September 23, 2003, and registered with the Land Court as Document No. 1293465.

Together with the benefit of and subject to the following:

1. Terms and provisions of Reciprocal Easement Agreement dated April 18, 2000 by and between Technology Square LLC and the Charles Stark Draper Laboratory, Inc. recorded in Book 31324, Page 262 and filed as Document No. 1137080, as amended by First Amendment to Reciprocal Easement Agreement dated February 6, 2003 recorded in Book 38441, Page 415 and filed as Document No. 1261130, and as amended by Second Amendment to Reciprocal Easement Agreement dated March 26, 2004 recorded in Book 42362, Page 126 and filed as Document No. 1315537.

2. Terms and provisions of Foundation, Grade Beam and Encroachment Agreement dated March 11, 1975, filed as Document No. 531493, as amended by an Amendment to Foundation Grade Beam and Encroachment Agreement, dated September 1, 1976, filed as Document No. 547840, affecting Lots 19 and 20, as affected by Reciprocal Easement Agreement dated April 18, 2000 recorded in Book 31324, Page 262 and filed as Document No. 1137080, as amended by Amendment to Foundation, Grade Beam and Encroachment Agreement, dated September 1, 1976, filed with the Registry District as Document No. 547840, affecting Lots 19 and 20, as affected by the Reciprocal Easement Agreement.

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All as affected by Voluntary Withdrawal from Registration filed January 16, 2008 as Document No. 1462980. For title see Deed in Book 42269, Page 372 and Notice of Lease in Book 42269, Page 395.

EXHIBIT C TO LEASE

**WORK LETTER**

THIS WORK LETTER dated \_\_\_\_\_ (this "**Work Letter**") is made and entered into by and between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **WARP DRIVE BIO, LLC**, a Delaware limited liability company ("**Tenant**"), and is attached to and made a part of the Lease Agreement dated \_\_\_\_\_, (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

**1. General Requirements.**

(a) **Tenant's Authorized Representative.** Tenant designates Ken Mullen and Kimi Iguchi (either such individual acting alone, "**Tenant's Representative**") as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change either Tenant's Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's contractors in the performance of Landlord's Work (as hereinafter defined).

(b) **Landlord's Authorized Representative.** Landlord designates Tim White and Ted O'Leary (either such individual acting alone, "**Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord's Representative shall be the sole persons authorized to direct Landlord's contractors in the performance of Landlord's Work.

(c) **Architects, Consultants and Contractors.** Landlord and Tenant hereby acknowledge and agree that: (i) the general contractor and any subcontractors for the Tenant Improvements shall be selected by Landlord, subject to Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) Life Science Architecture, Inc. shall be the architect (the "**TI Architect**") for the Tenant Improvements.

**2. Tenant Improvements.**

(a) **Tenant Improvements Defined.** As used herein, "**Tenant Improvements**" shall mean all improvements to the Project of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(c) below. Other than Landlord's Work (as defined in Section 3(a)) below, Landlord shall not have any obligation whatsoever with respect to the finishing of the Premises for Tenant's use and occupancy.

(b) **Tenant's Space Plans.** Tenant has delivered to Landlord schematic drawings and outline specifications prepared by the TI Architect (the "**TI Design Drawings**") detailing Tenant's requirements for the Tenant Improvements, which TI Design Drawings are based upon the scope of work reflected in the "Tenant" and "Landlord's Work at Tenant's Cost" columns of the Landlord/Tenant Scope Allocation Matrix attached to this Work Letter as **Schedule 1**. Landlord shall not unreasonably withhold, condition or delay its consent to the TI Design Drawings. Not more than 5 days after the date hereof, Landlord shall deliver to Tenant the written objections, questions or comments of Landlord and with regard to the TI Design Drawings. Tenant shall cause the TI Design Drawings to be revised to address such written comments and shall resubmit said drawings to Landlord for approval within 5 business days thereafter. Such process shall continue until Landlord has approved the TI Design Drawings.

(c) **Working Drawings.** Not later than 5 business days following the approval of the TI Design Drawings, Tenant shall cause the TI Architect to prepare and deliver to Landlord for review and comment construction plans, specifications and drawings for the Tenant Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Landlord shall not unreasonably withhold, condition or delay its consent to the TI Construction Drawings Landlord shall deliver its written comments on the TI Construction Drawings to Tenant not later than 5 business days after Landlord's receipt of the same. Tenant and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Landlord how Tenant proposes to respond to such comments. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Once approved by Tenant, subject to the provisions of Section 4 below, the TI Construction Drawings shall not be materially modified except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below).

(d) **Approval and Completion.** It is hereby acknowledged by Landlord and Tenant that the TI Construction Drawings must be completed and approved not later than October 1, 2012, in order for the Landlord's Work to be Substantially Complete by the Target Commencement Date (as defined in the Lease). Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with or a compromise between Landlord's and Tenant's positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant's decision will not affect the base Building, structural components of the Building or any Building systems. Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

### **3. Performance of Landlord's Work.**

(a) **Definition of Landlord's Work.** As used herein, "**Landlord's Work**" shall mean the work of constructing the Tenant Improvements.

(b) **Commencement and Permitting.** Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the “**TI Permit**”) authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord’s Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord’s obligations hereunder, (ii) increase the cost of constructing Landlord’s Work, or (iii) will materially delay the construction of Landlord’s Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) **Completion of Landlord’s Work.** On or before the Target Commencement Date (subject to Tenant Delays and Force Majeure delays), Landlord shall substantially complete or cause to be substantially completed Landlord’s Work in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal “punch list” items of a non-material nature that do not interfere with the use of the Premises (“**Substantial Completion**” or “**Substantially Complete**”). Upon Substantial Completion of Landlord’s Work, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects (“**AIA**”) document G704. If required by applicable Legal Requirements, a certificate of occupancy (which may include a temporary or conditional certificate of occupancy or the equivalent) for the Tenant Improvements or permission to occupy issued by the appropriate municipal official shall be required for Substantial Completion; provided, however, that no delay on the part of the applicable Governmental Authority or municipal official in the issuance of such certificate of occupancy or permission to occupy, which delay arises from or relates to work by Tenant or its contractors, shall operate to delay Substantial Completion, and any such delay that arises from or relates to work by Tenant or its contractors shall be deemed to be a “**Tenant Delay**” under Section 3(f) below. For purposes of this Work Letter, “**Minor Variations**” shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord’s Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord’s Work.

(d) **Selection of Materials.** Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord’s sole and absolute subjective discretion. As to all building materials and equipment that Landlord is obligated to supply under this Work Letter, unless the manufacturer is specified in the approved TI Construction Drawings, Landlord shall select the manufacturer thereof in its sole and absolute subjective discretion.

(e) **Delivery of the Premises.** When Landlord’s Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(e), Tenant shall accept the Premises. Tenant’s taking possession and acceptance of the Premises shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of

Landlord's Work with applicable Legal Requirements, or (iii) any claim that Landlord's Work was not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a "**Construction Defect**"). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within 30 days thereafter; provided, however, that Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord's reasonable efforts, fails to remedy such Construction Defect within such 30-day period, in which case Landlord shall continue to use reasonable efforts to remedy or cause such contractor to remedy such Construction Defect.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items.

(f) **Commencement Date Delay.** Except as otherwise provided in the Lease, Delivery of the Premises shall occur when Landlord's Work has been Substantially Completed, except to the extent that completion of Landlord's Work shall have been actually delayed by any one or more of the following causes ("**Tenant Delay**"):

- (i) Tenant's Representative was not available to give or receive any Communication or to take any other action required to be taken by Tenant hereunder for more than 2 business days after written notice (which may be by e-mail) from Landlord;
- (ii) Tenant's request for Change Requests (as defined in Section 4(g) below) whether or not any such Change Requests are actually performed;
- (iii) Construction of any Change Requests;
- (iv) Tenant's request for materials, finishes or installations requiring unusually long lead times, provided that Landlord has advised Tenant of such long lead time items within 3 business days of Tenant's selection of such long lead time items and Tenant continued to require such long lead time items;
- (v) Tenant's delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein;
- (vi) Tenant's delay in making payments to Landlord for Excess TI Costs (as defined in Section 5(d) below); or
- (vii) Any other act or omission by Tenant or any Tenant Party (as defined in the Lease), or persons employed by any of such persons.

If Delivery is delayed for any of the foregoing reasons, then Landlord shall cause the TI Architect to certify the date on which the Tenant Improvements would have been Substantially Completed but for such Tenant Delay and such certified date shall be the date of Delivery.

4. **Changes.** Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord and the TI Architect, such approval not to be unreasonably withheld, conditioned or delayed.

(a) **Tenant's Request For Changes.** If Tenant shall request changes to the Tenant Improvements ("**Changes**"), Tenant shall request such Changes by notifying Landlord 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 such Change. Such Change Request must be signed by Tenant's Representative. Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord's Work will be Substantially Complete. Any such delay in the completion of Landlord's Work caused by a Change, including any suspension of Landlord's Work while any such Change is being evaluated and/or designed, shall be Tenant Delay.

(b) **Implementation of Changes.** If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord's Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the TI Architect's determination of the amount of Tenant Delay in connection with such Change shall be final and binding on Landlord and Tenant.

#### 5. **Costs.**

(a) **Budget For Tenant Improvements.** Before the commencement of construction of the Tenant Improvements, Landlord shall obtain a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the "**Budget**"). The Budget shall be based upon the TI Construction Drawings approved by Tenant and shall include a payment to Landlord of administrative rent ("**Administrative Rent**") equal to 2% of the TI Costs for all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d)).

Landlord shall provide Tenant with a Budget promptly following approval of the TI Construction Drawings by Landlord and Tenant. The Budget shall be subject to Tenant's review and approval which approval shall not be unreasonably withheld, conditioned or delayed by Tenant.

(b) **TI Allowance.** Landlord shall provide to Tenant a tenant improvement allowance (the "**TI Allowance**") of \$162.00 per rentable square foot of the Premises, or \$3,502,602 in the aggregate. The TI Allowance shall be disbursed in accordance with this Work Letter.

Tenant shall have no right to the use or benefit (including any reduction to or payment of Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d) or (ii) any Changes pursuant to Section 4.

(c) **Costs Includable in TI Fund.** The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the TI Design Drawings and the TI Construction Drawings, all costs set forth in the Budget, including Landlord's Administrative Rent, Landlord's out-of-pocket expenses, costs resulting from Tenant Delays and the cost of Changes (collectively, "**TI Costs**"). Tenant may elect to use a portion of the TI Allowance, up to \$5.00 per rentable square foot of the Premises ("**Soft Cost Allowance**"), for soft costs incurred in connection with the Tenant Improvements including, without limitation, Tenant's voice and data cabling. Notwithstanding anything to the contrary contained herein, except for the Soft Cost Allowance, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant's voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements.

(d) **Excess TI Costs.** Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with Landlord, as a condition precedent to Landlord's obligation to complete the Tenant Improvements, 50% of the then current TI Cost in excess of the remaining TI Allowance ("**Excess TI Costs**"). Tenant shall be required to pay the remaining balance of the Excess TI Costs to Landlord within 30 days after completion of the Tenant Improvements and Landlord's delivery to Tenant of the final accounting for the same. If Tenant fails to deposit any Excess TI Costs with Landlord, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the "**TI Fund**." Funds deposited by Tenant shall be the first disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. If upon completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

## 6. Tenant Access.

(a) **Tenant's Access Rights.** Landlord hereby agrees to permit Tenant access, at Tenant's sole risk and expense, to the Building (i) 30 days prior to the Commencement Date to perform any work ("Tenant's Work") required by Tenant other than Landlord's Work, provided that such Tenant's Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Landlord may impose, and (ii) prior to the completion of Landlord's Work, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Landlord. Notwithstanding the foregoing, Tenant shall have no right to enter onto the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-commencement access (including, but not limited to, any insurance that Landlord may require pursuant to the Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord's contractor and Landlord until completion of Landlord's Work and acceptance thereof by Tenant.

(b) **No Interference.** Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of Landlord's Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Premises and the Project until Substantial Completion of Landlord's Work.

(c) **No Acceptance of Premises.** The fact that Tenant may, with Landlord's consent, enter into the Project prior to the date Landlord's Work is Substantially Complete for the purpose of performing Tenant's Work shall not be deemed an acceptance by Tenant of possession of the Premises, but in such event Tenant, subject to the penultimate paragraph of Section 17 of the Lease, shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant's property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party.

## 7. Miscellaneous.

(a) **Consents.** Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification.** No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

(c) **Default.** Notwithstanding anything set forth herein or in the Lease to the contrary, Landlord shall not have any obligation to perform any work hereunder or to fund any portion of the TI Fund during any period that Tenant is in Default under the Lease.

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**Schedule 1**

**Responsibility Matrix**

(provided separately)

**EXHIBIT D TO LEASE**

**ACKNOWLEDGMENT OF COMMENCEMENT DATE**

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made as of this \_\_\_\_ day of \_\_\_\_\_, between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **WARP DRIVE BIO, LLC**, a Delaware limited liability company ("**Tenant**"), and is attached to and made a part of the Lease dated as of \_\_\_\_\_, \_\_\_\_ (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is \_\_\_\_\_, \_\_\_\_\_, and the expiration date of the Base Term of the Lease shall be midnight on \_\_\_\_\_, \_\_\_\_\_. In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this **ACKNOWLEDGMENT OF COMMENCEMENT DATE** to be effective on the date first above written.

**TENANT:**

**WARP DRIVE BIO, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**LANDLORD:**

**ARE-TECH SQUARE, LLC,**  
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,  
a Delaware limited liability company,  
its manager

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,  
a Delaware limited partnership, managing member

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By: ARE-QRS CORP.,  
a Maryland corporation, general partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT E TO LEASE

### Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.
2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.
3. Except for animals assisting the disabled, no animals shall be allowed in the Premises, offices, halls, or corridors in the Project.
4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.
5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.
6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.
7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.
8. Tenant shall maintain the Premises free from rodents, insects and other pests.
9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.
10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

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**EXHIBIT F TO LEASE**

**TENANT'S PERSONAL PROPERTY**

None.

## FIRST AMENDMENT TO LEASE

This First Amendment to Lease (the “**First Amendment**”) is made as of May 18, 2017, by and between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company (“**Landlord**”), and **WARP DRIVE BIO, INC.**, a Delaware corporation (“**Tenant**”), formerly known as **WARP DRIVE BIO, LLC**, a Delaware limited liability company.

### RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of August 22, 2012 (the “**Lease**”), wherein Landlord leases to Tenant certain premises containing approximately 21,621 rentable square feet (the “**Premises**”) located at 400 Technology Square, Cambridge, Massachusetts, as more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. The Base Term of the Lease is scheduled to expire on February 28, 2018.

C. Tenant has timely exercised its Extension Right pursuant to Section 39 of the Lease.

D. Landlord and Tenant desire to amend the Lease to, among other things, extend the term of the Lease through February 28, 2023 (the “**First Amendment Expiration Date**”).

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Term.** The expiration date of the term of the Lease is hereby extended through the First Amendment Expiration Date. Tenant’s occupancy of the Premises through the First Amendment Expiration Date shall be on an “as-is” basis and Landlord shall have no obligation to provide any tenant improvement allowance or to make any alterations to the Premises.
2. **Base Rent.** Tenant shall continue to pay Base Rent as provided in the Lease through February 29, 2018. Commencing on March 1, 2018, Base Rent shall be payable pursuant to the following schedule:

<u>Date Range:</u>	<u>Base Rent</u> <u>\$/RSF per year:</u>	<u>Base Rent</u> <u>Monthly Amount:</u>
3/1/2018 – 2/28/19	\$ 74.50	\$ 134,230.38
3/1/2019 – 2/29/20	\$ 76.74	\$ 138,257.29
3/1/2020 – 2/28/21	\$ 79.04	\$ 142,405.00
3/1/2021 – 2/28/22	\$ 81.41	\$ 146,677.15
3/1/2022 – 2/28/23	\$ 83.85	\$ 151,077.47

3. **Extension Right.** As of the date of this First Amendment, Section 39(a) of the Lease is hereby deleted and replaced with the following:

“(a) **Extension Right.** Subject to the superior rights of The General Hospital Corporation (*i.e.*, Ragon Institute) (“**Ragon**”) as same exists on the day hereof to expand its premises to include the Premises, Tenant shall have 1 right (an “**Extension Right**”) to extend the term of this Lease for 5 years (an “**Extension Term**”) on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise the Extension Right (“**Extension Notice**”) at least 15 months and no more than 18 months prior to the First Amendment Expiration Date. Upon receipt of an Extension Notice from Tenant, Landlord shall offer the Premises to Ragon pursuant to the terms of Ragon’s lease. Following the completion of the procedures required under the Ragon lease in connection with Ragon’s rights to expand into the Premises, Landlord shall notify Tenant in writing whether or not Ragon has elected to expand its premises to include the Premises following the First Amendment Expiration Date. If Ragon elects to expand its premises to include the Premises, this Lease shall terminate on the First Amendment Expiration Date and Tenant’s Extension Right under this Section 39 shall be null and void and of no further force or effect. If Ragon does not elect to expand its premises to include the Premises, Landlord’s notice to Tenant will also include Landlord’s determination of the Market Rate.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of the Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, “**Market Rate**” shall mean the rate that comparable landlords of comparable buildings have accepted in current transactions from non equity (*i.e.*, not being offered equity in the buildings) and nonaffiliated tenants of similar financial strength for space of comparable size, quality (including all Tenant Improvements, Alterations and other improvements) and floor height in comparable laboratory/office buildings in the Cambridge area for a comparable term, with the determination of the Market Rate to take into account all relevant factors, including tenant inducements, views, parking costs, leasing commissions, allowances or concessions, if any. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord’s determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.”

4. **Indemnity.** Notwithstanding anything to the contrary contained herein or in the Lease, Tenant acknowledges and agrees that, in order to reflect changes in applicable laws, retroactive to the date of the Lease, the language of Section 16 of the Lease which reads “unless caused solely by the willful misconduct or negligence of Landlord” is hereby deleted in its entirety and replaced with the following: “except to the extent caused by the willful misconduct or negligence of Landlord.”

5. **OFAC.** Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control (“**OFAC**”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “**OFAC Rules**”), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.
6. **Miscellaneous.**
- a. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.
  - b. This First Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective agents and assigns.
  - c. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.
  - d. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, “**Broker**”) in connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction, other than Transwestern and NGKF. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than Transwestern and NGKF, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this First Amendment.
  - e. Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

[Signatures are on the next page]

**TENANT:**

**WARP DRIVE BIO, INC.,**  
a Delaware corporation

By: /s/ Laurence E. Reid

Its: Laurence E. Reid  
CEO

**LANDLORD:**

**ARE-TECH SQUARE, LLC,**  
a Delaware limited liability company

By: ARE-MA Region No. 31, LLC, a Delaware limited  
liability company its manager

By: Alexandria Real Estate Equities, L.P., a Delaware  
limited partnership managing member

By: ARE-QRS Corp.,  
a Maryland corporation general partner

By: /s/ Eric S. Johnson

Its: Eric S. Johnson  
Senior Vice President  
RE Legal Affairs

ASSIGNMENT AND ASSUMPTION OF LEASE

**THIS ASSIGNMENT AND ASSUMPTION OF LEASE** (this "**Assignment**") is made by and between **WARP DRIVE BIO, LLC**, a Delaware limited liability company ("**Assignor**") and **REVOLUTION MEDICINES, INC.**, a Delaware corporation ("**Assignee**") as of January 30, 2019 (the "**Effective Date**").

**RECITALS**

**A. WHEREAS, ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**") and Assignor are parties to that certain Lease Agreement dated as of August 22, 2012, as amended by that certain First Amendment to Lease dated as of May 18, 2017 (as amended, the "**Lease**"), pursuant to which Landlord leases to Assignor space containing approximately 21,621 rentable square feet consisting of the entire second (2nd) floor (the "**Premises**") of the building located at 400 Technology Square, Cambridge, Massachusetts (the "**Building**");

**B. WHEREAS**, Assignor was acquired by Assignee in a merger transaction wherein Assignor became, and remains now, a wholly-owned subsidiary of Assignee which is controlled by Assignee; and

**C. WHEREAS**, Assignor desires to assign all of Assignor's right, title, and interest as "Tenant" under the Lease to Assignee, and Assignee desires to accept such assignment and assume all obligations associated therewith from and after the Effective Date, which assignment and assumption constitutes a Control Permitted Assignment (as that term is defined in Section 22(b) of the Lease);

**NOW, THEREFORE**, for the covenants and promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS**. The foregoing recitals are hereby made a part of this Assignment.

2. **ASSIGNMENT AND ASSUMPTION**. Subject to the provisions of this Assignment, effective as of the Effective Date, Assignor hereby irrevocably and unconditionally grants, assigns, transfers, conveys and delivers to Assignee all Assignor's right, title and interest in the Lease, and Assignee hereby (i) accepts the assignment of all Assignor's right, title and interest in the Lease, (ii) agrees to be fully bound as "**Tenant**" under the Lease from and after the Effective Date, and (iii) assumes Assignor's obligations accruing under the Lease from and after the Effective Date.

3. **GOVERNING LAW; COUNTERPARTS**. This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. This Assignment 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 Assignment shall be equivalent to, and have the same force and effect as, an original signature.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Assignment as of Effective Date.

**ASSIGNOR:**

**WARP DRIVE BIO, LLC,**  
a Delaware limited liability company

By: /s/ Margaret A. Horn

\_\_\_\_\_  
Name: Margaret A. Horn

Title: Chief Financial Officer

**ASSIGNEE:**

**REVOLUTION MEDICINES, INC.,**  
a Delaware corporation

By: /s/ Mark A. Goldsmith

\_\_\_\_\_  
Name: Mark A. Goldsmith

Title: Chief Executive Officer

[Signature Page to Assignment and Assumption of Lease]

## SUBLEASE AGREEMENT

This Sublease Agreement (this "**Sublease**") is dated as of February 4, 2019, for reference purposes only, by and between Revolution Medicines, Inc., a Delaware corporation ("**Sublandlord**"), as successor to Warp Drive Bio, LLC, a Delaware limited liability company, with Sublandlord having an address of 700 Saginaw Drive, Redwood City, CA 94063, Attn: General Counsel, (email: Legal@revolutionmedicines.com), and Casma Therapeutics, Inc., a Delaware corporation, ("**Subtenant**"), having an address at 29 Newbury Street, Boston, Massachusetts 02116 prior to the Commencement Date and at the Premises on and after the Commencement Date. This Sublease shall be effective as of the date set forth in Section 2, below.

### RECITALS

**A.** ARE-Tech Square, LLC, a Delaware limited liability company ("**Master Landlord**") and Sublandlord are parties to that certain Lease Agreement dated as of August 22, 2012 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated as of May 18, 2017 (the "**First Amendment**") (the Original Lease, as so amended, being referred to herein as the "**Master Lease**") each as attached hereto as Exhibit A, pursuant to which Master Landlord leases to Sublandlord space containing approximately 21,621 rentable square feet consisting of the entire second (2nd) floor (the "**Premises**") of the building located at 400 Technology Square, Cambridge, Massachusetts (the "**Building**"). All capitalized terms used but not defined herein shall have the meanings ascribed in the Master Lease (as modified by this Sublease).

**B.** The term of the Master Lease is scheduled to expire by its terms on February 28, 2023.

**C.** Sublandlord desires to sublease the Premises to Subtenant and Subtenant desires to sublease the Premises from Sublandlord pursuant to the terms and conditions of this Sublease.

### AGREEMENT

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Sublandlord and Subtenant hereby agree as follows:

**1. Sublease Premises.** Sublandlord hereby subleases to Subtenant the Premises, and Subtenant hereby subleases the Premises from Sublandlord, pursuant to the terms and conditions of this Sublease, together with the right, appurtenant thereto, to use, in common with others, the lobbies, entrances, stairways, public elevators and loading areas, and other public portions of the Building on the terms and conditions set forth in this Sublease as well as the central vacuum, compressed air, RODI water and acid neutralization systems serving the Premises. Subtenant shall accept the Premises in the condition and state of repair on the commencement of Subtenant's Early Access (as defined in Section 4 below) broom clean in its "AS IS" and "WHERE IS" condition, and Sublandlord makes no representation or warranty regarding the Premises except as otherwise expressly set forth herein. Sublandlord shall deliver the Premises on the commencement of Subtenant's Early Access with all items for which Sublandlord has maintenance or repair obligations pursuant to the Master Lease in good working condition. Except as otherwise provided in this Sublease, Subtenant expressly acknowledges and agrees Sublandlord shall not have any

obligation to perform any work to prepare the Premises for Subtenant's use and occupancy. By taking possession of the Premises, Subtenant is deemed to have accepted the Premises and agreed that the Premises are in good order and satisfactory condition, with no representation or warranty by Sublandlord as to the condition of the Premises or the suitability thereof for Subtenant's use except as otherwise expressly provided in this Sublease. Subtenant shall be solely responsible, subject to Master Landlord's prior written consent, for the installation and maintenance of, and all payments for, any phone, security, alarm, and IT systems in the Premises.

**2. Effective Date; Master Landlord's Consent Required.** This Sublease shall not become effective or binding upon Sublandlord until the date an executed copy of Master Landlord's written consent to this Sublease ("**Consent**") is executed and delivered to Sublandlord and Subtenant. Sublandlord hereby disclaims any representation or warranty, whether express or implied, to Subtenant that Sublandlord will obtain the Consent, but Sublandlord shall use good faith efforts to obtain the same in accordance with the provisions of the Master Lease and Subtenant shall reasonably cooperate with Sublandlord in its efforts to obtain the same (including, without limitation, providing a Hazardous Materials List as promptly as possible). Sublandlord shall request such Consent and Subtenant shall pay any fees or charges expressly provided for in the Master Lease with respect to the obtaining of such Consent. Subtenant agrees promptly to provide any reasonable financial or other information requested by Master Landlord pursuant to the Master Lease. Each party agrees promptly to execute and deliver the Consent in a form acceptable to Master Landlord, Sublandlord and Subtenant. If the Consent is not received within sixty (60) days of the full execution and delivery hereof, either party by notice to the other given prior to the receipt of the Consent, may terminate this Sublease, in which case Sublandlord shall promptly return to Subtenant all sums theretofore paid by Subtenant hereunder. Subtenant waives any claim against Master Landlord arising out of any failure or refusal by Master Landlord to grant consent to this Sublease. Simultaneously with the delivery to Sublandlord of an executed counterpart of this Sublease, and as a precondition to Sublandlord's obligation to deliver possession of the Premises to Subtenant or request the Consent: (a) Subtenant shall have delivered to Sublandlord (i) the Security Deposit (as defined in Section 6 of this Sublease), and (ii) the first monthly installment of Sublease Rent pursuant to the terms and conditions of this Sublease, and (b) Sublandlord shall have received that certain Guaranty of Sublease in the form attached hereto as Exhibit B (the "**Guaranty**") executed by Third Rock Ventures, LLC, a Delaware limited liability company ("**Guarantor**").

**3. Term.** The term of this Sublease (the "**Term**") shall commence on the date that is the latest of: (a) the date the fully-executed Consent is received by Sublandlord and Subtenant, (b) March 1, 2019, and (c) fifteen (15) days following Sublandlord's delivery of the Premises to Subtenant fully decommissioned by a certified industrial hygienist in accordance with the terms and conditions of the Master Lease (as applicable to a surrender of the Premises) (the "**Commencement Date**") and shall expire on February 28, 2023 ("**Expiration Date**"), unless earlier terminated or extended pursuant to the terms of this Sublease. If Sublandlord fails to deliver possession of the Premises to Subtenant on or before April 1, 2019 ("**Outside Delivery Date**"), then the validity of this Sublease shall not be affected thereby and Sublandlord shall have no liability to Subtenant on account of such failure to deliver possession; provided, however, Subtenant shall have the right to terminate this Sublease effective upon delivery of written notice of termination to Sublandlord provided such notice of termination is delivered within five (5) days of the Outside Delivery Date. During the last 120 days of the Term, Sublandlord shall have access

to the Premises for purposes of complying with its surrender obligations under the Master Lease and Subtenant shall cooperate with Sublandlord for such purposes, provided that Sublandlord shall use reasonable efforts to ensure its access will not materially interfere with Subtenant's use of the Premises (except for portions thereof that require removal or restoration work).

**4. Early Access.** Notwithstanding anything herein to the contrary, Subtenant shall have the right to access the Premises from and after February 15, 2019 ("**Subtenant's Early Access**"); provided that each of the following have occurred: (a) Subtenant shall have delivered to Sublandlord certificates evidencing that the insurance coverages that Subtenant is obligated to carry pursuant to the Master Lease and this Sublease have been procured and are in full force and effect, (b) the Master Landlord shall have consented to this Sublease and Subtenant's Early Access, and (c) Sublandlord shall have received the executed Guaranty. Subtenant's Early Access shall be on all of the terms set forth in this Sublease, except for the obligation to pay Base Rent, which shall commence on the Commencement Date, subject to the other and further provisions of this Sublease. Subtenant's Early Access shall be for the sole purpose of preparing the Premises for occupancy, and if Subtenant shall commence business operations in the Premises then the Commencement Date shall be deemed to have automatically occurred notwithstanding any other provision of this Sublease. Subtenant's Early Access shall be subject to Sublandlord's access and safety controls and shall not interfere with any decommissioning activities in the Premises.

**5. Rent.** Subtenant shall pay to Sublandlord the following as sublease rent ("**Sublease Rent**") which obligation of Subtenant shall be independent from all of Sublandlord's obligations hereunder:

**5.1 Base Rent.** Beginning on the Commencement Date, and continuing during the Term, Subtenant shall pay to Sublandlord, as base rent ("**Base Rent**"), in lawful money of the United States of America, without any deduction, offset, prior notice or demand, in advance on the first date of each month of the Term, the amount of Base Rent (as defined in the Master Lease) payable by Sublandlord to Master Landlord for the same period. Base Rent payable for any partial month during the Term shall be prorated on a daily basis based on the actual number of days in such month.

**5.2 Additional Rent.** Subtenant shall pay Sublandlord, within five (5) days of receipt of written demand for same, for any Additional Rent (as defined in the Master Lease) payable by Sublandlord to Master Landlord. Subtenant shall have no audit rights with respect to estimates or statements regarding Operating Expenses or Taxes provided by Master Landlord to Sublandlord, and any such estimates or statements shall be binding as between Sublandlord and Subtenant. Notwithstanding the foregoing, any Additional Rent payable for any partial month during the Term shall be prorated on a daily basis based on the actual number of days in such month. The terms of this Section 5.2 shall survive and remain in full force and effect notwithstanding the expiration or earlier termination of the Term. Subtenant shall pay all taxes applicable to Subtenant's personal property or any other taxes that are otherwise Sublandlord's responsibility, as tenant, under the Master Lease.

**5.3 Late Payment Charges.** If any payment of Sublease Rent due from Subtenant is not received within five (5) days of the date when due hereunder, Subtenant shall pay to Sublandlord, in addition to any late charges incurred by Sublandlord under the Master Lease, a late charge equal to ten percent (10%) of the overdue amount. In addition, Sublease Rent not paid when due shall bear interest at the Default Rate (as defined in the Master Lease) from the 5th day after the date due until paid.

**6. Security Deposit.** Simultaneously with the delivery to Sublandlord of an executed counterpart of this Sublease, Subtenant shall deliver to Sublandlord a cash security deposit in the amount of \$302,154.94 (the "**Security Deposit**") to secure the faithful observance and performance by Subtenant of the terms and conditions of this Sublease. If Subtenant Defaults (as defined in Section 20 of the Master Lease) in the observance or performance of any of such terms and conditions beyond the date of any notice and cure period for such Default, Sublandlord may use or apply all or any part of the Security Deposit for the payment of any Sublease Rent not paid when due or for the payment of any other amounts due Sublandlord by reason of such Default, including any costs of Sublandlord's observing or performing such terms or conditions on Subtenant's behalf and any deficiencies in reletting or damages incurred by Sublandlord. If Sublandlord shall use or apply all or any part of the Security Deposit, Subtenant shall, within five (5) days following notice from Sublandlord, deliver to Sublandlord additional funds so as to restore the Security Deposit to the amount before such application of funds by Sublandlord. The Security Deposit, or so much thereof as shall not have been used or applied in accordance with this Section 6, shall be returned to Subtenant no later than thirty (30) days following the later of: (i) the expiration or sooner termination of this Sublease, and (ii) the surrender of the Premises to Sublandlord in accordance with this Sublease. If Sublandlord shall transfer the Security Deposit to an assignee of Sublandlord's interest under the Master Lease, Sublandlord making such transfer and assignment shall be deemed released from all liability to Subtenant with respect to the Security Deposit or the return thereof, and Subtenant agrees to look solely to the transferee and assignee with respect thereto. Subtenant shall not assign (other than to an assignee of this Sublease) or encumber its interest in the Security Deposit and no such assignment or encumbrance shall be valid or binding upon Sublandlord. Sublandlord may commingle the Security Deposit with Sublandlord's other accounts and has no duty to maintain the Security Deposit in a separate account.

**7. Furniture, Fixtures, and Equipment.** As of the Commencement Date, Subtenant shall purchase all of Sublandlord's furniture, fixtures, and equipment existing within the Premises as of the Commencement Date (the "**FF&E**") for the sum of One Dollar (\$1.00) pursuant to a bill of sale substantially in the form attached hereto as Exhibit C, and Subtenant shall thereafter be solely responsible for removal of the FF&E from the Premises and the Building, to the extent required by the Master Lease, and for repair and/or restoration of any damage to the Building caused by or resulting from such removal. Sublandlord hereby represents and warrants to Subtenant that Sublandlord is the owner of the FF&E free and clear of any claims of others. Except as set forth in the immediately preceding sentence, Sublandlord has not made, does not make, and will not make, any representations or warranties of any kind, express or implied, to Subtenant with respect to the FF&E including, without limitation, any representations or warranties as to the condition or functionality of the FF&E, or the suitability of the FF&E for Subtenant's purposes. Subtenant agrees to accept the FF&E for purchase in its "*as is, where is, with all faults*" condition. From and after the Commencement Date, Subtenant shall be solely responsible, at Subtenant's sole cost and expense, for maintenance, repair, operation, and replacement, from time to time, of the FF&E. In the event of a Default by Subtenant which results in the termination of this Sublease, any FF&E remaining in the Premises from and after the date of such termination shall be deemed abandoned and Sublandlord may remove or dispose of any such abandoned FF&E without notice to or the consent of Subtenant.

## 8. Master Lease.

**8.1 Sublease Subordinate to Master Lease; Subtenant's Covenants.** This Sublease is in all respects subject and subordinate to all of the terms, provisions, covenants, stipulations, conditions and agreements of the Master Lease. Except as otherwise provided in this Sublease, the following terms and provisions contained in the Master Lease are incorporated as provided below and made a part hereof as if set forth at length; provided, however, that: (a) each reference to "Lease" shall be deemed a reference to this Sublease; (b) each reference to the "Term," "Commencement Date," or "Expiration Date" shall be deemed reference to the "Term" of this Sublease or the "Commencement Date" or "Expiration Date" hereunder, as applicable; (c) each reference to "Landlord" shall be deemed a reference to Master Landlord and Sublandlord, except as expressly set forth herein or as context may require, (d) with respect to any obligation of Subtenant to be performed under this Sublease, wherever the Master Lease grants to Sublandlord a specified number of days to perform its obligations under the Master Lease, except as otherwise provided herein, Subtenant shall have three (3) fewer days to perform the obligation, including, without limitation, cure any defaults; (e) each reference to "Tenant" shall be deemed a reference to Subtenant, except as expressly set forth herein; (f) with respect to any approval or consent required to be obtained from Master Landlord under the Master Lease, such approval or consent must be obtained from both Master Landlord and Sublandlord, and the approval of Sublandlord may be withheld if Master Landlord's approval or consent is not obtained; (g) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord," such indemnity, release or waiver shall be deemed to run from Subtenant to both Master Landlord and Sublandlord; (h) Subtenant shall pay all consent and review fees set forth in the Master Lease to both Master Landlord and Sublandlord; and (i) in any case where "Tenant" is to execute and deliver certain documents or notices to "Landlord," such obligation shall be deemed to run from Subtenant to both Master Landlord and Sublandlord:

(a) **Basic Lease Information.** The Basic Lease Provisions and Section 1 of the Master Lease are incorporated herein by reference, except for the definitions of "Base Rent," "Security Deposit," "Target Commencement Date," "Base Term," "Address for Rent Payment," "Tenant's Notice Address," and "Landlord's Notice Address" provided in the Basic Lease Provisions.

(b) **Compliance with Laws; Use.** Section 7 of the Master Lease is incorporated herein by reference, except that references to "Landlord" therein shall be deemed references to Master Landlord only.

(c) **Holding Over.** Section 8 of the Master Lease is incorporated herein by reference, and any reference to "Landlord" therein shall be deemed a reference to both Master Landlord and Sublandlord.

(d) **Parking.** Section 10 of the Master Lease is incorporated herein by reference, except that references to "Landlord" therein shall be deemed references to Master Landlord only, and Subtenant shall reimburse Sublandlord for any costs or expenses incurred by Sublandlord relating to parking during the Term. Subtenant's use of parking is subject at all times to Master Landlord's requirements relating to same.

(e) **Utilities; Services; Emergency Generator; Loading Dock.** Section 11 of the Master Lease is incorporated herein by reference, except that references to “Landlord” therein shall be deemed references to Master Landlord only. Notwithstanding anything to the contrary contained herein (including as incorporated from the Master Lease), Subtenant shall supply its own cleaning and rubbish removal from the Premises at its cost and expense.

(f) **Repairs and Alterations.** Section 12 of the Master Lease is incorporated herein by reference. Subtenant shall not make any Alterations to the Premises without the prior written consent of (i) Master Landlord, which consent may be granted or withheld as set forth in Section 12 of the Master Lease, and (ii) Sublandlord, which consent shall not be unreasonably withheld, conditioned or delayed. Subtenant shall remove, at Subtenant’s sole cost and expense, at or prior to the expiration or earlier termination of the Term, all Alterations installed by Subtenant (unless both Master Landlord and Sublandlord agree in writing that any such Alterations need not be removed), and restore the Premises to the condition that existed as of the Commencement Date, normal wear and tear excepted. Sublandlord agrees it shall not charge any supervisory fees related to Subtenant’s Alterations, provided that Subtenant agrees to reimburse Sublandlord for any and all costs incurred by Sublandlord in connection with Subtenant’s Alterations (including any fees or expenses related to Sublandlord or its attorney’s or consultants’ review and approval of Subtenant’s proposed Alterations). For the avoidance of doubt, references to Exhibit F of the Master Lease or the “TI Fund” are not incorporated herein.

(g) **Landlord’s Repairs.** Section 13 of the Master Lease is incorporated herein by reference, except that references to “Landlord” therein shall mean Master Landlord only.

(h) **Tenant’s Repairs.** Section 14 of the Master Lease is incorporated herein by reference.

(i) **Mechanic’s Liens.** Section 15 of the Master Lease is incorporated herein by reference.

(j) **Indemnification.** Section 16 of the Master Lease (as modified by Section 4 of the First Amendment) is incorporated herein by reference.

(k) **Insurance.** Section 17 of the Master Lease is incorporated herein by reference and Subtenant shall obtain the insurance coverages required, with the additional requirement that all applicable policies of insurance also name Sublandlord as an additional insured thereunder.

(l) **Restoration.** Section 18 of the Master Lease is incorporated herein by reference, except that references to “Landlord” therein shall be deemed references to Master Landlord only. Subtenant shall have rights to rental abatements or to terminate this Sublease only under the same circumstances and to the extent that Sublandlord, as “Tenant” under the Master Lease, is entitled to such rights under the Master Lease, and may cause Sublandlord to exercise such right at the same times and in the same manner as Sublandlord may do so under such section.

(m) **Condemnation.** Section 19 of the Master Lease is incorporated herein by reference, except that references to “Landlord” therein shall be deemed references to Master Landlord only. Subtenant shall have rights to rental abatements or to terminate this Sublease only under the same circumstances and to the extent that Sublandlord, as “Tenant” under the Master Lease, is entitled to such rights under the Master Lease, and may cause Sublandlord to exercise such right at the same times and in the same manner as Sublandlord may do so under such section.

(n) **Events of Default; Remedies.** Sections 20 and 21 of the Master Lease are incorporated herein by reference. Additionally, it shall be deemed a Default under this Sublease if the Guarantor becomes subject to any Insolvency Event (as described in Section 20(f) of the Master Lease) or the Guaranty otherwise fails to be in full force and effect during the Term.

(o) **Assignment and Subletting.** Sections 22(a), (c), (d), (e), and (f) of the Master Lease are incorporated herein by reference. Subtenant shall not assign or sublet the Premises without the prior written consent of (i) Master Landlord, which may be granted or withheld as set forth in Section 22 of the Master Lease, and (ii) Sublandlord, which consent shall not be unreasonably withheld, conditioned, or delayed. All fees and expenses payable to Master Landlord or Sublandlord in connection with any such transfer shall be paid by Subtenant in each instance.

(p) **Surrender.** Section 28 of the Master Lease is incorporated herein by reference. Sublandlord and Subtenant agree that Subtenant will not be responsible for removing any Alterations existing in the Premises as of the date hereof. Subtenant shall deliver to each of Master Landlord and Sublandlord any surrender plans or other materials that may be required under the terms of the Master Lease relating to surrender and/or decommissioning of the Premises, and shall timely complete decommissioning of the Premises.

(q) **Environmental Requirements.** Section 30 of the Master Lease is incorporated herein by reference.

(r) **Signs; Exterior Appearance.** Section 38 of the Master Lease is incorporated herein by reference, except that all signage shall be installed at Subtenant’s sole cost (unless Master Landlord agrees otherwise), and Subtenant shall be responsible to remove all signage at Subtenant’s sole cost at the expiration or earlier termination of the Term.

(s) **Roof Equipment.** Section 40 of the Master Lease is incorporated herein, except that Subtenant shall be required to obtain the prior written consent of Sublandlord in addition to the requirements of Section 40 prior to installation, removal, or relocation of any rooftop equipment.

(t) **Miscellaneous.** Sections 23, 24, 25, 26, 27, 29, 31, 32, 33, 34, 36 (excluding the limitation on liability to the landlord’s interest in the Project), 37 and 41 of the Master Lease are incorporated herein by reference, except that references to “Landlord” in Section 40(m) shall be deemed to refer to Master Landlord only.

(u) **Rules and Regulations.** Exhibit E of the Master Lease (as may be updated from time to time by Master Landlord) is incorporated herein by reference.

Except as set forth above, the provisions of the Master Lease are not incorporated into this Sublease except as necessary to effectuate the terms and conditions of this Sublease. Subtenant shall have no right to any extension or renewal rights of Sublandlord under the Master Lease. Neither party shall take any action or do or permit to be done anything which: (i) is or may be prohibited under the Master Lease; (ii) might result in a violation of or default under any of the terms, covenants, conditions or provisions of the Master Lease or any other instrument to which this Sublease is subordinate (and Sublandlord shall comply with all of the terms of the Master Lease to the extent Sublandlord remains obligated thereunder or to the extent that Subtenant cannot directly comply with such obligations (provided Subtenant is not in default hereunder)); or (iii) would result in any additional cost or other liability to Sublandlord or Subtenant respectively.

**8.2 Sublandlord Not Responsible for Representations and Covenants of Master Landlord under Master Lease.** Sublandlord shall not be deemed to have made any representation made by Master Landlord in any of the provisions of the Master Lease. Moreover, during the Term of this Sublease, Subtenant acknowledges and agrees that Sublandlord shall not be responsible for Master Landlord covenants and obligations under the Master Lease, subject to Sublandlord's obligations which accrued prior to the date of this Sublease and as otherwise expressly set forth herein. Notwithstanding anything to the contrary in this Sublease and without limiting the generality of the foregoing two (2) sentences, Sublandlord shall not be obligated (a) to provide any of the services or utilities that Master Landlord has agreed in the Master Lease to provide, (b) to make any of the repairs or restorations that Master Landlord has agreed in the Master Lease to make, (c) to comply with any laws or requirements of public authorities with which Master Landlord has agreed in the Master Lease to comply, (d) to comply with any insurance provisions of the Master Lease with which Master Landlord has agreed in the Master Lease to comply, or (e) to take any action with respect to the operation, administration or control of the Project or any of the Common Areas that Master Landlord has agreed in the Master Lease to take, and Sublandlord shall have no liability to Subtenant on account of any failure of Master Landlord to do so, or on account of any failure by Master Landlord to observe or perform any of the terms, covenants or conditions of the Master Lease required to be observed or performed by Master Landlord, provided that in the event that Subtenant determines in good faith that Master Landlord has not performed its obligations under the Master Lease, then upon receipt of written notice from Subtenant and for a period of time not to exceed thirty (30) days, Sublandlord shall be obligated to use commercially reasonable efforts to cause such breaches, defaults or failures of Master Landlord under the Master Lease to be resolved or otherwise settled; provided, further, however: (1) Sublandlord shall not have any obligation to incur out-of-pocket expenses in connection with its covenants under this Section 8.2 and (2) Sublandlord shall not have any obligation to commence litigation or other dispute resolution proceedings to cause Master Landlord to comply with the Master Lease. If Sublandlord shall be entitled to any abatement of rent by reason of any failure on the part of Master Landlord to perform its obligations or to provide services to the Premises, Subtenant shall be entitled to an abatement of rent payable to Sublandlord to the extent such abatement is actually made. As long as this Sublease is in full force and effect, Subtenant shall be entitled, with respect to the Premises, to the benefit of master Landlord's obligations and agreements under the Master Lease to furnish utilities and other services to the Premises and to repair and maintain the common areas, roof, building systems and all other obligations of Master Landlord under the Master Lease.

Notwithstanding anything contained in this Sublease to the contrary, Subtenant shall not be responsible for (i) any default of Sublandlord, its agents, employees or contractors under the Master Lease unless attributable to any act or omission of or any default under this Sublease or the Master Lease by Subtenant, its agents, employees, contractors, invitees or anyone claiming by, through or under Subtenant (collectively, the “**Subtenant Parties**”), (ii) conditions at the Premises, for which the obligation to maintain and repair resides with Master Landlord under the Master Lease and/or which existed as of the Commencement Date or which were caused by or as a result of Subtenant’s Early Access, (iii) any violations of law resulting from such existing conditions described by (ii) above, (iv) the payment of any charges, fees and other costs imposed by Master Landlord on Sublandlord as a result of Sublandlord’s default under the Master Lease (unless due to any act or omission of or any default under this Sublease or the Master Lease by any Subtenant Party), and (v) making payment of any sums either to Master Landlord or Sublandlord in satisfaction of any charges accruing under the Master Lease (whether denominated as rent, rental, additional rent or otherwise) for any period prior or subsequent to the Term of this Sublease and any holdover.

**9. Indemnity.** Subtenant shall indemnify Sublandlord, its officers, directors, shareholders, agents and employees (collectively “**Sublandlord’s Indemnified Parties**”) against, and hold Sublandlord, and Sublandlord’s Indemnified Parties harmless from, any and all demands, claims, causes of action, fines, penalties, damages (excluding all consequential damages, except for any consequential damages incurred by Master Landlord which may be asserted against Sublandlord), losses, liabilities, judgments, and expenses (including, without limitation, reasonable attorneys’ fees and court costs) incurred in connection with, or arising from: (a) the use or occupancy of the Premises by Subtenant or any persons claiming under Subtenant; (b) any activity, work, or thing done, permitted or suffered by Subtenant in or about the Premises; (c) any acts, omissions, or negligence of Subtenant or any person claiming under Subtenant, or the contractors, agents, employees, invitees, or visitors of Subtenant or any such person as it relates to this Sublease or the Premises; (d) any breach, violation, or nonperformance by Subtenant or any person claiming under Subtenant or the employees, agents, contractors, invitees, or visitors of Subtenant or any such person of any term, covenant, or provision of this Sublease or any law, ordinance, or governmental requirement of any kind for which the tenant is obligated to comply under the Master Lease; (e) any injury or damage to the person, property or business of Sublandlord, its employees, agents, contractors, invitees, visitors, or any other person entering upon the Premises and (f) Subtenant’s failure to comply with the surrender provisions of this Sublease at the expiration or earlier termination of the Term, except to the extent any of the foregoing in clauses (a) through (f) above results from the actions or omissions of Sublandlord or any Sublandlord’s Indemnified Parties. If any action or proceeding is brought against Sublandlord, or any Sublandlord’s Indemnified Parties by reason of any such claim, Subtenant, upon notice from Sublandlord, shall defend the claim at Subtenant’s expense with counsel reasonably satisfactory to Sublandlord.

Sublandlord shall neither do nor permit anything to be done which would cause the Master Lease to be terminated or forfeited by reason of any right of termination or forfeiture reserved or vested in Landlord under the Master Lease, and Sublandlord shall indemnify, defend, protect, and hold Subtenant harmless from and against all actions, claims, demands, costs, liabilities, losses, reasonable attorneys' fees, damages, penalties and expenses which may be brought or made against Subtenant or which Subtenant may pay or incur to the extent caused by (A) the negligence or willful misconduct of Sublandlord or its agents, employees or contractors occurring on or about the Premises, (B) the failure by Sublandlord to comply with or perform its obligations under the Master Lease and/or this Sublease (before or after the Commencement Date), (C) a breach by Sublandlord of any of its representations or warranties to Subtenant under this Sublease, or (D) Sublandlord's use or occupancy of the Premises. Sublandlord will not amend, alter or modify any of the provisions of the Master Lease which may result in an increase in Subtenant's obligations or a decrease in Subtenant's rights under this Sublease, or surrender or terminate the Master Lease without, in each instance, Subtenant's consent in Subtenant's sole and absolute discretion.

**10. Sublandlord's Right to Cure Subtenant Default/Subtenant's Right to Cure Sublandlord Default.** Upon a Default by Subtenant, Sublandlord may, without waiving or releasing any obligation of Subtenant hereunder and without waiving any rights or remedies at law or otherwise, make such payment or perform such act. All reasonable sums so paid or incurred by Sublandlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 10% per annum or the highest rate permitted by law, whichever is less, shall be payable to Sublandlord on demand as additional Sublease Rent. In the event of Sublandlord's failure to pay Rent under the Master Lease by the date due, Subtenant shall have the right, on written notice, to provide such payment to Master Landlord, unless Sublandlord can provide Subtenant reasonable assurances that it will not Default under the Master Lease.

**11. Notices.** Any notice, request, demand, consent, approval, or other communication required or permitted under this Sublease shall be in writing. All notices shall be addressed to the addresses set forth in the introductory paragraph of this Sublease, or such other address as the parties may notify each other from time to time, and shall be delivered via the methods set forth in, and shall be deemed given and/or received pursuant to the provisions of, Section 41(a) of the Master Lease. The parties agree that courtesy copies of any notices shall be sent via email to the email address(es) provided for such party in the introductory paragraph of this Sublease.

**12. Time Is of the Essence.** Time is of the essence with respect to the performance of every provision of this Sublease in which time of performance is a factor.

**13. Attorneys' Fees.** If any action or proceeding is instituted by Sublandlord or Subtenant to construe, interpret or enforce the provisions of this Sublease, the prevailing party shall be entitled to the reimbursement of its reasonable attorneys' fees and costs incurred in connection with such proceeding by the non-prevailing party.

**14. Brokers.** The sole broker in this transaction is CBRE ("**Broker**"), and no commission will be payable to Broker in connection with this Sublease. Each party hereby indemnifies, protects, defends (with legal counsel acceptable to the other party) and holds the other party free and harmless from and against any and all costs and liabilities, including, without limitation, reasonable attorneys' fees, for causes of action or proceedings that may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of such party other than the Broker in connection with this Sublease.

**15. Counterparts.** This Sublease may be executed in duplicate counterparts, each of which shall be deemed an original hereof. Electronically transmitted signatures shall be deemed originals.

**16. Entire Agreement/Modification.** This Sublease, including the Exhibits, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Sublease, and no prior agreement or understanding or letter or proposal pertaining to any such matters shall be effective for any purpose. This Sublease may only be modified by a writing signed by Sublandlord and Subtenant. No provisions of this Sublease may be amended or added to, whether by conduct, oral or written communication, or otherwise, except by an agreement in writing signed by the parties hereto or their respective successors-in-interest.

**17. Interpretation.** The title and paragraph headings are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part of this Sublease. Unless stated otherwise, references to paragraphs and subparagraphs are to those in this Sublease. This Sublease shall be strictly construed neither against Sublandlord nor Subtenant. Capitalized terms used but not defined herein shall have the meanings set forth in the Master Lease.

**18. Authority.** Subtenant hereby represents and warrants that Subtenant is a duly formed and existing entity qualified to do business in the Commonwealth of Massachusetts and that Subtenant has full right and authority to execute and deliver this Sublease and that each person executing this Sublease on behalf of Subtenant is authorized to do so. Sublandlord hereby represents and warrants that Sublandlord has full right and authority to execute and deliver this Sublease and that each person executing this Sublease on behalf of Sublandlord is authorized to do so.

**19. OFAC.** Subtenant, and all beneficial owners of Subtenant, are currently (a) in compliance with and shall at all times during the Term remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of this Sublease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

**20. Warranties.** Sublandlord represents and warrants to Subtenant that (i) a true, correct and complete copy of the Master Lease (excluding redacted terms not relevant to Subtenant) has been delivered to Subtenant and the Master Lease described in the Recitals to this Sublease has not been modified or amended, assigned or sublet in any manner except for the documents expressly referenced in the first Recital to this Sublease, (ii) the Master Lease is in full force and effect, (iii) to the best of Sublandlord's knowledge, Sublandlord is not in default under the Master Lease, and (iv) Sublandlord has not received any notice of default under the Master Lease.

**21. Consequential Damages.** Notwithstanding any provision of this Sublease to the contrary, in no event shall Sublandlord or Subtenant be liable hereunder or under the Master Lease for any consequential, special or indirect damages or damages in the nature of lost profits; provided, however, that this waiver of consequential damages shall not apply with respect to liabilities of Subtenant relating to either (a) a holdover by Subtenant, or (b) any violation of environmental requirements of the Sublease or the Master Lease, or any environmental liabilities or violations of environmental laws for which Subtenant is otherwise liable.

[signature page follows]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease Agreement as of the date first above written.

**SUBLANDLORD:**

**Revolution Medicines, Inc.**

And By: /s/ Margaret A. Horn  
Name: Margaret A. Horn  
Title: Chief Operating Officer

And By: /s/ Mark A. Goldsmith  
Name: Mark A. Goldsmith  
Title: Chief Executive Officer

**SUBTENANT:**

**Casma Therapeutics, Inc.**

And By: /s/ Keith Dionne  
Name: Keith Dionne  
Title: CEO

[Signature Page to Sublease Agreement]

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**EXHIBIT A**

MASTER LEASE

[To Be Attached]

[Exhibit A to Sublease Agreement]

## LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of this 22nd day of August, 2012, between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**"), and **WARP DRIVE BIO, LLC**, a Delaware limited liability company ("**Tenant**").

### BASIC LEASE PROVISIONS

**Address:** 400 Technology Square, Cambridge, Massachusetts

**Premises:** That portion of the Project consisting of approximately 21,621 rentable square feet of space located on the 2<sup>nd</sup> floor of the Building, as shown on **Exhibit A**.

**Building:** The specific building in which the Premises are located, which building is within the Project and located at 400 Technology Square, also known as Unit 400 of the Condominium described in **Exhibit B**.

**Project:** The real property on which the Building is located, also known as Technology Square Condominium (the "**Condominium**"), together with all improvements thereon and appurtenances thereto from time to time located thereon in the City of Cambridge, Middlesex County, Commonwealth of Massachusetts, as described on **Exhibit B**. **The Landlord reserves the right to modify the Condominium at any time and from time to time, but the parties acknowledge the Condominium presently consists of Units 100, 200, 300, 400, 500, 600 and 700 (also known as Buildings 100, 200, 300, 400, 500, 600 and 700), as well as specified common areas on the Condominium (including the Technology Square Garage).**

**Base Rent:** \$59.25 per rentable square foot of the Premises per year, subject to annual increase on the Adjustment Date as set forth herein

**Rentable Area of Premises:** 21,621sq. ft.

**Rentable Area of Building:** 212,123sq. ft. **Tenant's Share of Operating Expenses:** 10.19%

**Rentable Area of Project:** 1,182,204 sq. ft. **Building's Share of Project:** 17.94%

**Security Deposit:** \$320,261.06

**Target Commencement Date:** February 5, 2013; provided, however, that the Target Commencement Date shall be extended 1 day for each day after October 1, 2012, that the TI Construction Drawings (as defined in the Work Letter) are not completed and mutually approved by Landlord and Tenant.

**Rent Adjustment Percentage:** 3% per annum

**Base Term:** Beginning on the Commencement Date and ending 60 months from the first day of the first full month after the Commencement Date (as defined in Section 2) hereof

**Permitted Use:** Research and development laboratory, related office and other related uses consistent with the current character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

**Address for Rent Payment:**  
385 East Colorado Boulevard, Suite 299  
Pasadena, CA 91101  
Attention: Accounts Receivable

**Landlord’s Notice Address:**  
385 East Colorado Boulevard, Suite 299  
Pasadena, CA 91101  
Attention: Corporate Secretary

**Tenant’s Notice Address:**  
400 Technology Square, Second Floor  
Cambridge, MA 01239  
Attention: Ken Mullen

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

- EXHIBIT A** - PREMISES DESCRIPTION
- EXHIBIT C** - WORK LETTER
- EXHIBIT E** - RULES AND REGULATIONS

- EXHIBIT B** - DESCRIPTION OF PROJECT
- EXHIBIT D** - COMMENCEMENT DATE
- EXHIBIT F** - TENANT’S PERSONAL PROPERTY

**1. Lease of Premises.** Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project (including but not limited to the restrooms, elevators, stairways, lobbies, corridors, walkways and Building entrances) are collectively referred to herein as the “**Common Areas**.” Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant’s use of the Premises for the Permitted Use. From and after the Commencement Date through the expiration of the Term, Tenant shall have access to the Building, the Premises and the Technology Square Garage 24 hours a day, 7 days a week, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or any other temporary interruptions, and otherwise subject to the terms of this Lease.

2. **Delivery; Acceptance of Premises; Commencement Date.** Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with Landlord's Work Substantially Completed ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not deliver the Premises to Tenant on or before the date that is 30 days after the Target Commencement Date (as such date may be extended by Force Majeure delays and Tenant Delays) ("**Abatement Date**"), the Base Rent payable by Tenant as of the Commencement Date shall be abated 1 day for each day after the Abatement Date (as such date may be extended for Force Majeure delays and Tenant Delays) that Landlord fails to Deliver the Premises to Tenant. If Landlord does not Deliver the Premises within 90 days of the Target Commencement Date for any reason other than Force Majeure delays and Tenant Delays, this Lease may be terminated by Landlord or Tenant by written notice to the other (except that Landlord shall have no right to terminate this Lease other than in the event of Force Majeure), and if so terminated by either: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work**," "**Tenant Delays**" and "**Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter. If neither Landlord nor Tenant elects to void this Lease within 15 business days of the lapse of such 90 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The "**Commencement Date**" shall be the earliest of: (i) the date Landlord Delivers the Premises to Tenant; (ii) the date Landlord could have Delivered the Premises but for Tenant Delays; and (iii) the date Tenant conducts any business in the Premises or any part thereof. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above on the first page of this Lease and the Extension Term which Tenant may elect pursuant to Section 39 hereof.

Landlord shall permit Tenant access to the Premises commencing on the date that is 30 days prior to the Commencement Date for Tenant's installation and set up of its tele/data cabling, workstations and furniture, fixtures and equipment in the Premises ("**FF&E Installation**"), provided that such FF&E Installation is coordinated with Landlord, and Tenant complies with the Lease and all other reasonable restrictions and conditions Landlord may impose. All such access shall be during normal business hours. Notwithstanding the foregoing, Tenant shall have no right to enter onto any portion of the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance required to be maintained by Tenant under Section 17 of this Lease is in full force and effect. Any access to the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses (including Utilities).

Except as set forth in the Work Letter: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken.

For the period of 30 consecutive days after the Commencement Date, Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building or Building Systems (as defined in [Section 13](#)), unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

### 3. Rent.

(a) **Base Rent.** The first month's Base Rent and the Security Deposit shall be due and payable on or before October 25, 2012. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, equal monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. If the Commencement Date is other than the first day of a calendar month, the difference between the first full calendar month's Base Rent paid upon delivery of an executed copy of the Lease by Tenant to Landlord as required above, and the prorated Base Rent for the fractional month in which the Commencement Date occurs, shall be applied by Landlord to the first full calendar month after the Commencement Date. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

(b) **Additional Rent.** In addition to Base Rent, commencing on the Commencement Date, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "Operating Expenses" (as defined in [Section 5](#)), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments.** Base Rent shall be increased on each annual anniversary of the Commencement Date (each an “**Adjustment Date**”) by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments.** Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the “**Annual Estimate**”), which may be revised by Landlord from time to time during such calendar year. During each month of the Term after the Base Year, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12th of Tenant’s Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term “**Operating Expenses**” means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Building (including the Building’s Share of Project of all other costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project and the Condominium (including without limitation all costs of compliance with the PTDM, as hereinafter defined) which are not specific to the Building or any other building located in the Project) (including, without duplication, Taxes (as defined in Section 9), capital repairs and improvements amortized over the useful life of such capital items as reasonably determined by Landlord taking into account all relevant factors, and the costs of Landlord’s third party property manager or, if there is no third party property manager, administration rent in the amount of 3.0% of Base Rent), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;

(b) capital expenditures for expansion of the Project

(c) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(i) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project

(j) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(k) costs (including attorneys' fees and costs of settlement judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(l) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(m) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(n) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(o) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(p) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(q) costs incurred in the sale or refinancing of the Project;

(r) costs incurred in connection with the clean-up, response action or remediation of Hazardous Materials on the Project or in the Premises that Tenant demonstrates to Landlord's reasonable satisfaction were present on the Project or in the Premises prior to the date of this Lease, except to the extent Tenant and/or any of the Tenant Parties have exacerbated or contributed to such contamination

(s) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein; and

(t) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 90 day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent regionally recognized public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Building is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year shall be computed as though the Building had been 95% occupied on average during such year.

“**Tenant’s Share**” shall be the percentage set forth on the first page of this Lease as Tenant’s Share as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably increase Tenant’s Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant’s Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as “**Rent**.”

**6. Security Deposit.** Tenant shall deposit with Landlord, on or before October 25, 2012, a security deposit (the “**Security Deposit**”) for the performance of all of Tenant’s obligations hereunder in the amount set forth on page 1 of this Lease, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the “**Letter of Credit**”): (i) in form and substance satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft (which may be presented by delivery by overnight courier) at the financial institution’s offices in the United States. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit. The Security Deposit shall be held by Landlord as security for the performance of Tenant’s obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord’s damages in case of Tenant’s default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord’s right to use the Security Deposit under this Section 6 includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to the amount set forth on Page 1 of this Lease. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Upon any such use of all or any portion of the Security Deposit, Tenant shall, within 5 days after demand from Landlord, restore the Security Deposit to its original amount. If Tenant shall fully perform every provision of this Lease to be performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord’s option, to the last assignee of Tenant’s interest hereunder) within 90 days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6, or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

If, as of the expiration of the 24<sup>th</sup> month of the Base Term, Tenant is not in Default of this Lease and has not been in Default of this Lease at any time during the Term ("**Reduction Requirement**"), then the Security Deposit shall be reduced to \$213,507.38 (the "**Reduced Security Deposit**"). If Tenant has met the Reduction Requirement and delivers a written request to Landlord for such reduction of the Security Deposit, Landlord shall cooperate with Tenant, at no cost, expense or liability to Landlord, to reduce the Letter of Credit then held by Landlord to the amount of the Reduced Security Deposit. If the Security Deposit is reduced as provided herein, then from and after the date of such reduction, the "**Security Deposit**" shall be deemed to be the Reduced Security Deposit, for all purposes of this Lease.

**7. Use.** The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation," as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common

Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Landlord has disclosed to Tenant that the Project is the subject of an Activity and Use Limitation, which is incorporated herein by reference, and Tenant acknowledges receipt of a copy of such Activity and Use Limitation prior to execution of this Lease.

Landlord shall be responsible for the compliance of the Common Areas of the Project and the Premises with the ADA as of the Commencement. Following the Commencement Date, Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located) and at Tenant's expense (to the extent such Legal Requirement is triggered by reason of Tenant's, as compared to other tenants of the Project, specific use of the Premises or Tenant's alterations) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements. Subject to Landlord's performance of its obligations in the Work Letter, Tenant, at its sole expense, shall make any alterations or modifications to the interior or the exterior of the Premises or the Project that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's use or occupancy of the Premises. Subject to Landlord's performance of its obligations in the Work Letter, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements related to Tenant's use or occupancy of the Premises, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all such Claims.

**8. Holding Over.** If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) if Tenant's period of holdover exceeds 30 days, Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes.** Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as “**Taxes**” ), imposed by any federal, state, regional municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, “**Governmental Authority**”) during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by, any Governmental Authority, (v) imposed as a license or other fee, charge, tax or assessment on Landlord’s business or occupation of leasing space in the Project, or (vi) assessed or imposed by or on the operation or maintenance of any portion or whole of the Condominium (provided that to the extent any Taxes are assessed against the Condominium as a whole, such amounts shall be allocated among the buildings located in the Condominium based on the square footage of the buildings in question, unless Landlord reasonably determines that such allocation should be made on another basis). Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant’s personal property or trade fixtures are levied against Landlord or Landlord’s property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord’s determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking.** Subject to all matters of record, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, Landlord shall make available to Tenant up to 32 parking spaces in the Technology Square Garage on a non-exclusive basis at market rates in those areas designated for non-reserved parking, subject in each case to Landlord’s rules and regulations; provided, however, that Tenant during the first 12 months of the Term shall be required to pay for a minimum of 15 parking spaces and following the Parking Determination Date (as defined below), Tenant shall be required to pay for a minimum of 21 parking spaces. Landlord may allocate parking spaces among Tenant and other tenants in the Project if Landlord determines that such parking facilities are becoming crowded. Tenant shall pay to Landlord or as directed by Landlord, monthly as Additional Rent hereunder the market rate for each parking space, as reasonably determined by Landlord from time to time, which as of the date hereof shall be \$220.00 per space per month.

Tenant shall notify Landlord prior to the Commencement Date as to how many parking spaces (which amount shall not be lower than 15 parking spaces or exceed 32 parking spaces) that Tenant will initially use hereunder. If Tenant initially elects to use fewer than 32 parking spaces and, prior to the first anniversary of the Commencement Date (the "**Parking Determination Date**"), Tenant shall give Landlord notice to Landlord if it wishes to use additional spaces during the Term following the Parking Determination Date (which shall not be lower than 21 or to exceed 32 parking spaces in the aggregate hereunder), Landlord shall make available and Tenant shall commence paying for any such additional spaces on the date that is 30 days after Tenant's notice to Landlord. If Tenant has not elected to use all 32 parking spaces prior to the Parking Determination Date and delivers notice to Landlord thereafter that it wishes, in its reasonable discretion, to use additional parking spaces (not to exceed 32 parking spaces in the aggregate hereunder,) and Landlord determines, in its reasonable discretion, that any additional spaces are available in the Technology Square Parking Garage, for use by Tenant, Landlord shall make available and Tenant shall commence paying for any such additional spaces on the date that is 30 days after Tenant's notice to Landlord. Tenant acknowledges and agrees that Landlord shall have no obligation to provide Tenant with any additional spaces following the Parking Determination Date. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project.

Tenant shall, at Tenant's sole expense, for so long as the Parking and Traffic Demand Management Plan dated May 9, 1999 as approved by the City of Cambridge on July 9, 1999, including the conditions set forth in such approval (as amended from time to time, the "**PTDM**"), remains applicable to the Condominium, (i) offer to subsidize mass transit monthly passes for all of its employees; (ii) implement a Commuter Choice Program; (iii) discourage single-occupant vehicle ("**SOV**") use by its employees; (iv) promote alternative modes of transportation and use of alternative work hours; (v) meet with Landlord and/or its representatives no more than quarterly discuss transportation programs and initiatives; (vi) participate in annual surveys monitoring transportation programs and initiatives at Technology Square; (vii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM; (viii) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours; and (ix) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.

**11. Utilities, Services.** Landlord shall provide, subject to the terms of this Section 11, water, electricity, heat, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and with respect to the Common Areas only, refuse and trash collection and janitorial services (collectively, "**Utilities**"). Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. As part of the Tenant Improvements, Landlord shall cause the Premises to be separately submetered for electricity and, commencing on the

Commencement Date, Tenant shall pay to Landlord the cost of electricity consumed in the Premises based on such submeter as Additional Rent. Tenant shall pay directly to the Utility provide, r prior to delinquency, the cost of separately metered Utilities furnished to Tenant or the Premises during the Term. With the exception only of electricity (or any other Utilities) separately metered or submetered to the Premises as provided above, Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Tenant may elect to provide and pay directly for janitorial services and trash collection for the Premises. Landlord shall provide, as an Operating Expense, a dumpster and/or compactor for use by Tenant in common with others entitled thereto for the disposal of non-hazardous and non-controlled substances and material.

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators with not less than the capacity of the emergency generators located in the Building as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed.

Tenant may use the freight elevator and loading dock in common with others entitled thereto at no additional charge. The regular hours of operation of the freight elevator and loading dock are 24 hours per day, 7 days per week, subject to downtime for maintenance and repairs.

**12. Alterations and Tenant's Property.** Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in [Section 13](#)) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld or delayed. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance

of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, within 10 days after demand, Landlord's out-of-pocket expenses for plan review, coordination, scheduling and supervision in connection with any Alterations. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Except for Removable Installations (as hereinafter defined,) all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant's Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to be paid as administrative rent a fee of \$1,000 per occurrence for its time and effort in preparing and negotiating such a waiver of lien.

Other than (i) the items, if any, listed on **Exhibit F** attached hereto, (ii) any items agreed by Landlord in writing to be included on **Exhibit F** in the future, and (iii) any trade fixtures, machinery, equipment and other personal property not paid for out of the TI Fund (as defined in the Work Letter) which may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, "**Tenant's Property**"), all property of any kind paid for with the TI Fund, all Alterations, real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises such as fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, "**Installations**") shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 28 following the expiration or earlier termination of this Lease; provided, however, that Landlord shall, at the time its approval of such Installation is requested notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease. If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant's Property which was plumbed, wired or otherwise connected to any of the Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

**13. Landlord's Repairs.** Landlord, as an Operating Expense, shall maintain all of the structural, exterior, parking and other Common Areas of the Project including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency make a commercially reasonable effort to give Tenant 24 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair Landlord shall not be liable for any failure to make any repairs or to perform any maintenance

unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs.** Subject to Section 13 and Section 18 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition, damage covered by Section 18 and ordinary wear and tear excepted, all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens.** Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after Tenant receives notice of the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification.** Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder unless caused solely by the willful misconduct or negligence of Landlord. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance.** Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project or such lesser coverage amount as Landlord may elect provided such coverage amount is not less than 90% of such full replacement cost. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than \$2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than \$2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance policy shall name Alexandria Real Estate Equities, Inc. and Landlord, its officers, directors, employees, managers, agents, invitees and contractors and the Additional Insured Parties (as defined in the next succeeding paragraph) (collectively, "**Landlord Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 30 days prior written notice shall have been given to Landlord from the insurer; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to the following parties (collectively "**Additional Insured Parties**"): (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, (iii) any management company retained by Landlord to manage the Project, (iv) the condominium association with respect to the Condominium, (v) any member, partner or shareholder of Landlord or the owner of any beneficial interest therein and/or (vi) any other party reasonably designated by Landlord.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder or actually maintained by such party, whichever is greater, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project; provided, however, that the increased amount of coverage is consistent with coverage amounts then being required by institutional owners of similar projects with tenants occupying similar size premises in the geographical area in which the Project is located.

**18. Restoration.** If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other insured casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 12 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 5 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for

by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 5 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease upon written notice to the other if the Premises are damaged during the last 9 months of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within 10 business days after the date that Landlord provides Tenant with written notice of the estimated Restoration Period. Landlord shall also have the right to terminate this Lease if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space reasonably acceptable to Tenant during the period of repair that is suitable for the temporary conduct of Tenant's business. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

**19. Condemnation.** If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in Landlord's reasonable judgment either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or

operation of the Project, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default.** Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults.** Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 business days of any such notice not more than twice in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law; provided, further, however, that no such notice or opportunity to cure shall be required for any failure by Tenant to pay the first month's Base Rent and deliver the Security Deposit to Landlord at such time as required pursuant to Section 3(a) above.

(b) **Insurance.** Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) **Abandonment.** Tenant shall abandon the Premises.

(d) **Improper Transfer.** Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens.** Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 10 days after any such lien is filed against the Premises.

(f) **Insolvency Events.** Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement.** Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 business days after a second notice requesting such document.

(h) **Other Defaults.** Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 90 days from the date of Landlord's notice.

#### 21. Landlord's Remedies.

(a) **Payment By Landlord; Interest.** Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent.** Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum of 6% of the overdue Rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies.** Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever. No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all right of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 21(c) provided. If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may from time to time re-let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to make commercially reasonable alterations in and repairs to the Premises.

(ii) In the event of any termination of this Lease as in this Section 21 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same as if this Lease had not been made, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises. Landlord, at its option, notwithstanding any other provision of this Lease, shall be entitled to recover from Tenant, as and for liquidated damages, the sum of:

(A) all Base Rent, Additional Rent and other amounts payable by Tenant hereunder then due or accrued and unpaid: and

(B) the amount equal to the aggregate of all unpaid Base Rent and Additional Rent which would have been payable if this Lease had not been terminated prior to the end of the Term then in effect, discounted to its then present value in accordance with accepted financial practice using a rate of 5% per annum, for loss of the bargain; and

(C) all other damages and expenses (including attorneys' fees and expenses,) if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease; less

(D) the net proceeds of any re-letting actually received by Landlord and the amount of damages which Tenant proves could have been avoided had Landlord taken reasonable steps to mitigate its damages.

(iii) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law, but in each case not more than the amount to which Landlord would otherwise be entitled under this Section 21.

(iv) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease.

(v) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise. The words "enter," "re-enter," and "re-entry" are not restricted to their technical legal meanings.

(vi) If either party shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof, the non-prevailing party shall pay to the prevailing party all fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including attorneys' fees and expenses.

(vii) If Tenant shall default in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant (a) immediately or at any time thereafter and without notice in the case of emergency or in case such default will result in a violation of any legal or insurance requirements, or in the imposition of any lien against all or any portion of the Premises (but only after Tenant has failed to respond to such lien as permitted by Section 15 within the time period provided in Section 15), and (b) in any other case if such default continues after any applicable notice and cure period provided in Section 21. All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the

account of Tenant and also all reasonable costs and expenses, including attorneys' fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 days after demand.

(viii) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d), at Tenant's expense, to the extent provided in Section 30(d).

(ix) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21(c). Such costs shall include legal fees and costs incurred for the negotiation of a settlement enforcement of rights or otherwise. Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant.

(x) Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder or now or hereafter existing. No waiver of any provision of this Lease shall be deemed to have been made unless expressly so made in writing. Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy.

## 22. Assignment and Subletting.

(a) **General Prohibition.** Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 25% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this

Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, any public offering of shares or other ownership interest in Tenant or any private equity financing by one or more investors who regularly invest in private biotechnology companies, for which Tenant has given Landlord prior (to the extent prior notice is permitted by applicable law) or concurrent written notice, shall not be deemed an assignment.

(b) **Permitted Transfers.** If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the “**Assignment Date**”), Tenant shall give Landlord a notice (the “**Assignment Notice**”) containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, or (ii) refuse such consent in its reasonable discretion. Among other reasons, it shall be reasonable for Landlord to withhold its consent in any of these instances: (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord’s reasonable judgment, the use of the Premises by the proposed assignee or subtenant would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord; (3) in Landlord’s reasonable judgment, the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are controversial such that they may (i) attract or cause negative publicity for or about the Building or the Project, (ii) negatively affect the reputation of the Building, the Project or Landlord, or (iii) attract protesters to the Building or the Project; (4) in Landlord’s reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease; (5) in Landlord’s reasonable judgment, the character, reputation, or business of the proposed assignee or subtenant is inconsistent with the desired tenant-mix or the quality of other tenancies in the Project or is inconsistent with the type and quality of the nature of the Building; (6) Landlord has received from any prior landlord to the proposed assignee or subtenant a negative report concerning such prior landlord’s experience with the proposed assignee or subtenant; (7) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (8) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (9) the proposed assignee or subtenant, or any entity that, directly or indirectly, controls, is controlled by, or is under common control with the proposed assignee or subtenant, is then an occupant of the Project if at the relevant time Landlord has comparable space available for lease; (10) the proposed assignee or subtenant is an entity with whom Landlord is negotiating to lease space in the Project if at the relevant time Landlord has comparable space available for lease; or (11) the assignment or sublease is prohibited by Landlord’s lender. No failure of Landlord to respond to any Assignment Notice shall be deemed to be Landlord’s consent to the proposed assignment, sublease or other transfer. Landlord shall, however, use reasonable efforts to timely respond to all Assignment Notices. Tenant shall pay to Landlord a fee equal to One Thousand

Five Hundred Dollars (\$1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control Permitted Assignment**") shall not be required, provided that Landlord shall have the right to approve the form of any such sublease or assignment. In addition, Tenant shall have the right to assign this Lease, upon 10 days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the Commencement Date, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease arising after the effective date of the assignment (a "**Corporate Permitted Assignment**"). Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**."

(c) **Additional Conditions.** As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in Default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents.** Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. Other than in connection with a Permitted Assignment, if the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease) ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver.** The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee.** Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate.** Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, constitute a Default under this Lease and, in any event, be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment.** So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations.** All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations.** Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination.** This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatement, s renewal, s modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be reasonably requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments,

ground leases or other superior leases and any other encumbrance, and any reference to the “**Holder**” of a Mortgage shall be deemed to include the beneficiary under a deed of trust. Landlord agrees to use reasonable efforts to cause the Holder of the current Mortgage and, upon the written request of Tenant, any future Holder of a Mortgage to enter into a subordination, non-disturbance and attornment agreement (“**SNDA**”) with Tenant with respect to this Lease. The SNDA shall be on the form proscribed by the Holder and Tenant shall pay the Holder’s fees and costs in connection with obtaining such SNDA; provided, however, that Landlord shall request that Holder make any changes to the SNDA requested by Tenant. Landlord’s failure to cause the Holder to enter into the SNDA with Tenant (or make any of the changes requested by Tenant) shall not be a default by Landlord under this Lease.

28. **Surrender.** Upon the expiration of the Term or earlier termination of Tenant’s right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, “**Tenant HazMat Operations**”) and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the “**Surrender Plan**”). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord’s environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant’s expense as set forth below, to cause Landlord’s environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord’s environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed \$1,500. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord’s environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

**29. Waiver of Jury Trial.** TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

**30. Environmental Requirements.**

(a) **Prohibition/Compliance/Indemnity.** Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, reasonable attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other

relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, “**Environmental Claims**”) which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord’s approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30, Tenant shall not be responsible for, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to contamination (i) in the Premises which Tenant can prove to Landlord’s reasonable satisfaction existed in the Premises immediately prior to the Commencement Date, or (ii) caused by Landlord or any Landlord’s employee, agents and contractors; provided, however, except to the extent in both cases Tenant and/or the Tenant Parties have exacerbated or contributed to such contamination.

(b) **Business.** Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises (“**Hazardous Materials List**”). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the “**Haz Mat Documents**”) relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord’s sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or

under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with [Section 28](#) cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty.** Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing.** Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this [Section 30](#), or the environmental condition of the Premises or the Project. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. Access to the Premises shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions for which Tenant is responsible pursuant to this [Section 30](#) and that are identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against Tenant.

(e) **Underground Tanks.** If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(f) **Tenant's Obligations.** Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(g) **Definitions.** As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security.** Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure.** Landlord shall not responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of Landlord ("**Force Majeure**").

35. **Brokers.** Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Cushman & Wakefield and Richard Barry Joyce & Partners. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

36. **Limitation on Landlord's Liability.** NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance.** Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Signage on the floor of the Premises and the directory tablet shall be

inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Landlord, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

39. **Right to Extend Term.** Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Right.** Tenant shall have 1 right (an "**Extension Right**") to extend the term of this Lease for 5 years (an "**Extension Term**") on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise the Extension Right at least 9 months prior to the expiration of the Base Term of the Lease.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of the Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "**Market Rate**" shall mean the then market rental rate as determined by Landlord and agreed to by Tenant, which shall in no event be less than the average Base Rent payable by Tenant over the Base Term of the Lease. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.

(b) **Arbitration.**

(i) Within 10 days of Tenant's notice to Landlord of its election (**or deemed election**) to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An “**Arbitrator**” shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater Cambridge metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years’ experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Cambridge metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal.** The Extension Right is personal to Tenant and is not assignable without Landlord’s consent, which may be granted or withheld in Landlord’s sole discretion separate and apart from any consent by Landlord to an assignment of Tenant’s interest in the Lease, except that they may be assigned in connection with any Permitted Assignment of this Lease.

(d) **Exceptions.** Notwithstanding anything set forth above to the contrary, at Landlord’s option, the Extension Right shall not be in effect and Tenant may not exercise the Extension Right:

(i) during any period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured.

(e) **No Extensions.** The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right.

(f) **Termination.** The Extension Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

40. **Roof Equipment.** As long as Tenant is not in Default under this Lease, Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building directly above the Premises one or more satellite dishes communication antennae, or other equipment (all of which having a diameter and height acceptable to Landlord) for the transmission or reception of communication of signals as Tenant may from time to time desire (collectively, the "**Roof Equipment**") on the following terms and conditions:

(a) **Requirements.** Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leaseable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof.** If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building located directly above the Premises and only in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

(c) **Protection.** The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment.

(d) **Removal.** At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building. Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) **No Interference.** The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building. Tenant acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that Tenant's right to install and operate the Roof Equipment is subject and subordinate to the rights of such other tenants. Tenant agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Roof Equipment.

(f) **Relocation.** Landlord shall have the right, at its expense and after 60 days prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and connection to the Premises and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment.

(g) **Access.** Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant. Landlord shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance.** If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) **No Assignment.** The right of Tenant to use and operate the Roof Equipment shall be personal solely to Warp Drive Biosynthetics, Inc., a Delaware corporation, and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (ii) other than in connection with any Permitted Assignment of this Lease, Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof.

#### 41. Miscellaneous.

(a) **Notices.** All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability.** If and when included within the term “**Tenant**,” as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information.** Tenant shall furnish Landlord with true and complete copies of (i) Tenant’s most recent audited annual financial statements within 120 days of the end of each of Tenants’ fiscal years during the Term, (ii) Tenant’s most recent unaudited quarterly financial statements within 60 days of the end of each of Tenant’s first three fiscal quarters of each of Tenant’s fiscal years during the Term, (iii) at Landlord’s request from time to time but not more than once in any 12 month period, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. So long as Tenant is a “public company” and its financial information is publicly available, then the foregoing delivery requirements of this Section 41(c) shall not apply.

(d) **Recordation.** Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation.** The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed.** The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest.** It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law.** Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time.** Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC.** Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "OFAC Rules"), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference.** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof, If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement.** This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, s understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **Change in Form of Ownership.** Pursuant to M.G.L. Chapter 183A, Section 19, Landlord reserves the right to remove all or part of the Condominium from the provisions of M.G.L. Chapter 183A. In the event that Landlord does remove all or part of the Condominium from the provisions of M.G.L. Chapter 183A, the amounts payable by Tenant pursuant to this Lease shall not be greater than the amounts that would have been otherwise payable by Tenant if Landlord had not removed all or part of the Condominium from the provisions of M.G.L. Chapter 183A.

(n) **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(o) **Hazardous Activities.** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

[Signatures on next page]

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

**TENANT:**

**WARP DRIVE BIO, LLC,**  
a Delaware limited liability company

By: /s/ Alexis Borisy

Its: Alexis Borisy  
CEO

**LANDLORD:**

**ARE-TECH SQUARE, LLC,**  
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,  
a Delaware limited liability company,  
its manager

By: ALEXANDRIA REAL ESTATE EQUITIES,  
L.P.,  
a Delaware limited partnership,  
managing member

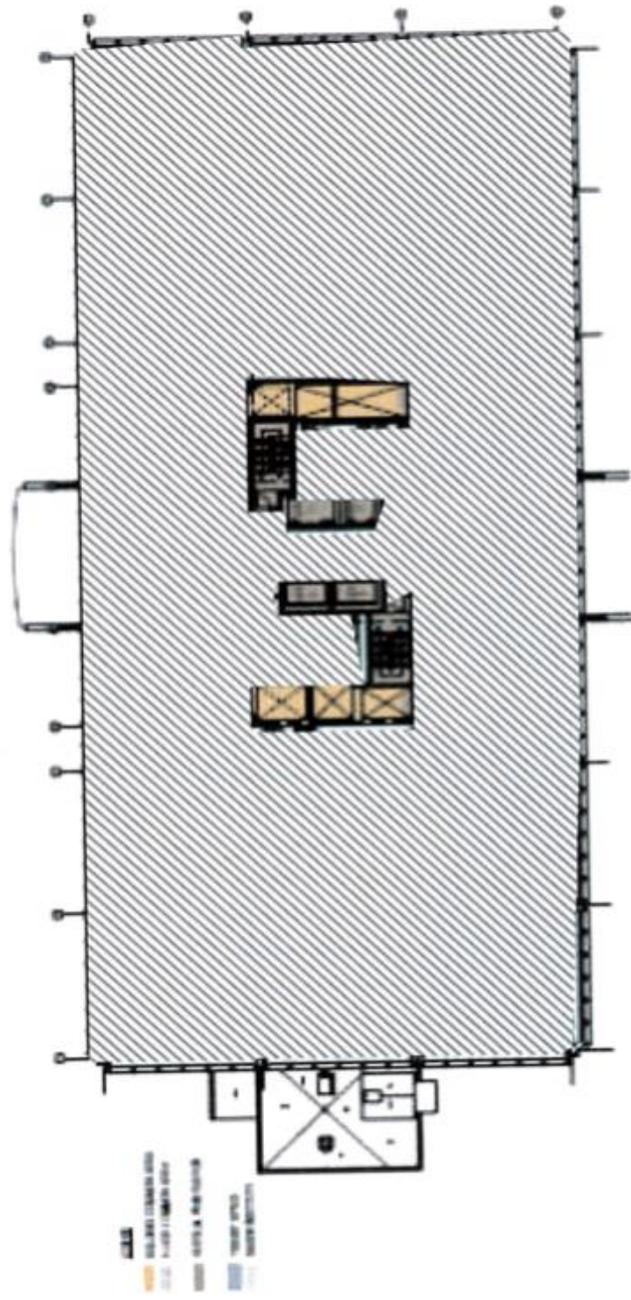
By: ARE-QRS CORP.,  
a Maryland corporation,  
general partner

By: /s/ Eric S. Johnson  
Its: Eric S. Johnson  
Vice President  
Real Estate Legal Affairs

EXHIBIT A TO LEASE

DESCRIPTION OF PREMISES

400 Tech Square  
2nd Floor



 Premises

**EXHIBIT B TO LEASE****DESCRIPTION OF PROJECT**

The following parcels of land in Cambridge, Middlesex County, Massachusetts:

The Registered Land shown as Lots 15,16 and 19 on Land Court Plan No. 30711E, Lot 43 on Land Court Plan No. 30711J and Lots 46 and 47 on Land Court Plan No. 30711K, and

The Unregistered Land shown as Area No. 1, Area No. 2, Area No. 3, Area No. 4, Area No. 5, Area No. 6, Area No. 7, Area No. 8 and Area No. 9 on a plan entitled "Plan of Land and Easements, Cambridge, Mass." Prepared by Raymond C. Pressey, Inc., dated June 1970 and recorded with the Middlesex South Registry of Deeds in Book 11879, Page 393, Plan 852 (A of 2) of 1970.

Excepting therefrom that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated April 12, 1982 and recorded in Book 14590, Page 221 and that portion taken by the Cambridge Redevelopment Authority Eminent Domain Taking dated January 27, 1983 and recorded in Book 14891, Page 556.

Said parcels are also described as Units 100, 200, 300, 400, 500, 600 and 700 of that certain condominium known as the Technology Square Condominium, as set forth in that certain Master Deed dated November 30, 2000, executed by Technology Square LLC, and recorded with the Registry in Book 32159, at Page 490, and registered with the Land Court as Document No. 1158816, under Certificate of Title No. C404, as the same has been amended by that certain Amendment to Master Deed dated May 28, 2002, and recorded with the Registry as Instrument No. 690 on September 6, 2002, and registered with the Land Court as Document No. 1226564, and as the same has been amended by that certain Second Amendment to Master Deed dated as of November 15, 2002, and recorded with the Registry as Instrument No. 1617 on September 23, 2003, and registered with the Land Court as Document No. 1293465.

Together with the benefit of and subject to the following:

1. Terms and provisions of Reciprocal Easement Agreement dated April 18, 2000 by and between Technology Square LLC and the Charles Stark Draper Laboratory, Inc. recorded in Book 31324, Page 262 and filed as Document No. 1137080, as amended by First Amendment to Reciprocal Easement Agreement dated February 6, 2003 recorded in Book 38441, Page 415 and filed as Document No. 1261130, and as amended by Second Amendment to Reciprocal Easement Agreement dated March 26, 2004 recorded in Book 42362, Page 126 and filed as Document No. 1315537.

2. Terms and provisions of Foundation, Grade Beam and Encroachment Agreement dated March 11, 1975, filed as Document No. 531493, as amended by an Amendment to Foundation Grade Beam and Encroachment Agreement, dated September 1, 1976, filed as Document No. 547840, affecting Lots 19 and 20, as affected by Reciprocal Easement Agreement dated April 18, 2000 recorded in Book 31324, Page 262 and filed as Document No. 1137080, as amended by Amendment to Foundation, Grade Beam and Encroachment Agreement, dated September 1, 1976, filed with the Registry District as Document No. 547840, affecting Lots 19 and 20, as affected by the Reciprocal Easement Agreement.

All as affected by Voluntary Withdrawal from Registration filed January 16, 2008 as Document No. 1462980. For title see Deed in Book 42269, Page 372 and Notice of Lease in Book 42269, Page 395.

## EXHIBIT C TO LEASE

## WORK LETTER

THIS WORK LETTER dated \_\_\_\_\_, \_\_\_\_ (this “**Work Letter**” ) is made and entered into by and between **ARE-TECHSQUARE, LLC**, a Delaware limited liability company (“**Landlord**”), and **WARP DRIVE BIO, LLC**, a Delaware liability company (“**Tenant**”), and is attached to and made a part of the Lease Agreement dated \_\_\_\_\_, \_\_\_\_ (the “**Lease**”), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

**1. General Requirements.**

(a) **Tenant’s Authorized Representative.** Tenant designates Ken Mullen and Kimi Iguchi (either such individual acting alone, “**Tenant’s Representative**”) as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication (“**Communication**”) from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant’s Representative. Tenant may change either Tenant’s Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant’s Representative shall be authorized to direct Landlord’s contractors in the performance of Landlord’s Work (as hereinafter defined).

(b) **Landlord’s Authorized Representative.** Landlord designates Tim White and Ted O’Leary (either such individual acting alone, “**Landlord’s Representative**”) as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord’s Representative. Landlord may change either Landlord’s Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord’s Representative shall be the sole persons authorized to direct Landlord’s contractors in the performance of Landlord’s Work.

(c) **Architects, Consultants and Contractors.** Landlord and Tenant hereby acknowledge and agree that: (i) the general contractor and any subcontractors for the Tenant Improvements shall be selected by Landlord, subject to Tenant’s approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) Life Science Architecture, Inc. shall be the architect (the “**TI Architect**” ) for the Tenant Improvements.

**2. Tenant Improvements.**

(a) **Tenant Improvements Defined.** As used herein, “**Tenant Improvements**” shall mean all improvements to the Project of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(c) below. Other than Landlord’s Work (as defined in Section 3(a) below, Landlord shall not have any obligation whatsoever with respect to the finishing of the Premises for Tenant’s use and occupancy.

(b) **Tenant's Space Plans.** Tenant has delivered to Landlord schematic drawings and outline specifications prepared by the TI Architect (the "**TI Design Drawings**") detailing Tenant's requirements for the Tenant Improvements, which TI Design Drawings are based upon the scope of work reflected in the "Tenant" and "Landlord's Work at Tenant's Cost" columns of the Landlord/Tenant Scope Allocation Matrix attached to this Work Letter as **Schedule 1**. Landlord shall not unreasonably withhold, condition or delay its consent to the TI Design Drawings. Not more than 5 days after the date hereof, Landlord shall deliver to Tenant the written objections, questions or comments of Landlord and with regard to the TI Design Drawings. Tenant shall cause the TI Design Drawings to be revised to address such written comments and shall resubmit said drawings to Landlord for approval within 5 business days thereafter. Such process shall continue until Landlord has approved the TI Design Drawings.

(c) **Working Drawings.** Not later than 5 business days following the approval of the TI Design Drawings, Tenant shall cause the TI Architect to prepare and deliver to Landlord for review and comment construction plans, specifications and drawings for the Tenant Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Landlord shall not unreasonably withhold, condition or delay its consent to the TI Construction Drawings Landlord shall deliver its written comments on the TI Construction Drawings to Tenant not later than 5 business days after Landlord's receipt of the same. Tenant and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Landlord how Tenant proposes to respond to such comments. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Once approved by Tenant, subject to the provisions of Section 4 below, the TI Construction Drawings shall not be materially modified except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below).

(d) **Approval and Completion.** It is hereby acknowledged by Landlord and Tenant that the TI Construction Drawings must be completed and approved not later than October 1, 2012, in order for the Landlord's Work to be Substantially Complete by the Target Commencement Date (as defined in the Lease). Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with or a compromise between Landlord's and Tenant's positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant's decision will not affect the base Building, structural components of the Building or any Building systems. Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

### 3. Performance of Landlord's Work.

(a) **Definition of Landlord's Work.** As used herein, "**Landlord's Work**" shall mean the work of constructing the Tenant Improvements.

(b) **Commencement and Permitting.** Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the “**TI Permit**”) authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord’s Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord’s obligations hereunder, (ii) increase the cost of constructing Landlord’s Work, or (iii) will materially delay the construction of Landlord’s Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) **Completion of Landlord’s Work.** On or before the Target Commencement Date (subject to Tenant Delays and Force Majeure delays), Landlord shall substantially complete or cause to be substantially completed Landlord’s Work in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal “punch list” items of a non-material nature that do not interfere with the use of the Premises (“**Substantial Completion**” or “**Substantially Complete**”). Upon Substantial Completion of Landlord’s Work, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects (“**AIA**”) document G704. If required by applicable Legal Requirements, a certificate of occupancy (which may include a temporary or conditional certificate of occupancy or the equivalent) for the Tenant Improvements or permission to occupy issued by the appropriate municipal official shall be required for Substantial Completion; provided, however, that no delay on the part of the applicable Governmental Authority or municipal official in the issuance of such certificate of occupancy or permission to occupy, which delay arises from or relates to work by Tenant or its contractors, shall operate to delay Substantial Completion, and any such delay that arises from or relates to work by Tenant or its contractors shall be deemed to be a “Tenant Delay” under Section 3(f) below. For purposes of this Work Letter, “**Minor Variations**” shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord’s Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord’s Work.

(d) **Selection of Materials.** Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord’s sole and absolute subjective discretion. As to all building materials and equipment that Landlord is obligated to supply under this Work Letter, unless the manufacturer is specified in the approved TI Construction Drawings, Landlord shall select the manufacturer thereof in its sole and absolute subjective discretion.

(e) **Delivery of the Premises.** When Landlord’s Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(e), Tenant shall accept the Premises. Tenant’s taking possession and acceptance of the Premises shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers,) (ii) any non-compliance of

Landlord's Work with applicable Legal Requirements, or (iii) any claim that Landlord's Work was not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a "**Construction Defect**"). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within 30 days thereafter; provided, however, that Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord's reasonable efforts, fails to remedy such Construction Defect within such 30-day period, in which case Landlord shall continue to use reasonable efforts to remedy or cause such contractor to remedy such Construction Defect.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items.

(f) **Commencement Date Delay.** Except as otherwise provided in the Lease, Delivery of the Premises shall occur when Landlord's Work has been Substantially Completed, except to the extent that completion of Landlord's Work shall have been actually delayed by any one or more of the following causes ("**Tenant Delay**"):

- (i) Tenant's Representative was not available to give or receive any Communication or to take any other action required to be taken by Tenant hereunder for more than 2 business days after written notice (which may be by e-mail) from Landlord;
- (ii) Tenant's request for Change Requests (as defined in Section 4(a) below) whether or not any such Change Requests are actually performed;
- (iii) Construction of any Change Requests;
- (iv) Tenant's request for materials, finishes or installations requiring unusually long lead times, provided that Landlord has advised Tenant of such long lead time items within 3 business days of Tenant's selection of such long lead time items and Tenant continued to require such long lead time items;
- (v) Tenant's delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein;
- (vi) Tenant's delay in making payments to Landlord for Excess TI Costs (as defined in Section 5(d) below); or
- (vii) Any other act or omission by Tenant or any Tenant Party (as defined in the Lease), or persons employed by any of such persons.

If Delivery is delayed for any of the foregoing reasons, then Landlord shall cause the TI Architect to certify the date on which the Tenant Improvements would have been Substantially Completed but for such Tenant Delay and such certified date shall be the date of Delivery.

4. **Changes.** Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord and the TI Architect, such approval not to be unreasonably withheld, conditioned or delayed.

(a) **Tenant's Request For Changes.** If Tenant shall request changes to the Tenant Improvements ("**Changes**"), Tenant shall request such Changes by notifying Landlord 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 such Change. Such Change Request must be signed by Tenant's Representative. Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request,) an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord's Work will be Substantially Complete. Any such delay in the completion of Landlord's Work caused by a Change, including any suspension of Landlord's Work while any such Change is being evaluated and/or designed, shall be Tenant Delay.

(b) **Implementation of Changes.** If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord's Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the TI Architect's determination of the amount of Tenant Delay in connection with such Change shall be final and binding on Landlord and Tenant.

#### 5. Costs.

(a) **Budget For Tenant Improvements.** Before the commencement of construction of the Tenant Improvements, Landlord shall obtain a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the "**Budget**"). The Budget shall be based upon the TI Construction Drawings approved by Tenant and shall include a payment to Landlord of administrative rent ("**Administrative Rent**") equal to 2% of the TI Costs for all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d)).

Landlord shall provide Tenant with a Budget promptly following approval of the TI Construction Drawings by Landlord and Tenant. The Budget shall be subject to Tenant's review and approval which approval shall not be unreasonably withheld, conditioned or delayed by Tenant.

(b) **TI Allowance.** Landlord shall provide to Tenant a tenant improvement allowance (the “**TI Allowance**”) of \$162.00 per rentable square foot of the Premises, or \$3,502,602 in the aggregate. The TI Allowance shall be disbursed in accordance with this Work Letter.

Tenant shall have no right to the use or benefit (including any reduction to or payment of Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d) or (ii) any Changes pursuant to Section 4.

(c) **Costs Includable in TI Fund.** The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the TI Design Drawings and the TI Construction Drawings, all costs set forth in the Budget, including Landlord’s Administrative Rent, Landlord’s out-of-pocket expenses, costs resulting from Tenant Delays and the cost of Changes (collectively, “**TI Costs**”). Tenant may elect to use a portion of the TI Allowance, up to \$5.00 per rentable square foot of the Premises (“**Soft Cost Allowance**”), for soft costs incurred in connection with the Tenant Improvements including, without limitation, Tenant’s voice and data cabling. Notwithstanding anything to the contrary contained herein, except for the Soft Cost Allowance, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant’s voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements.

(d) **Excess TI Costs.** Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with Landlord, as a condition precedent to Landlord’s obligation to complete the Tenant Improvements, 50% of the then current TI Cost in excess of the remaining TI Allowance (“**Excess TI Costs**”). Tenant shall be required to pay the remaining balance of the Excess TI Costs to Landlord within 30 days after completion of the Tenant Improvements and Landlord’s delivery to Tenant of the final accounting for the same. If Tenant fails to deposit any Excess TI Costs with Landlord, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the “**TI Fund.**” Funds deposited by Tenant shall be the first disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. If upon completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

#### 6. Tenant Access.

(a) **Tenant's Access Rights.** Landlord hereby agrees to permit Tenant access, at Tenant's sole risk and expense, to the Building (i) 30 days prior to the Commencement Date to perform any work ("Tenant's Work") required by Tenant other than Landlord's Work, provided that such Tenant's Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Landlord may impose, and (ii) prior to the completion of Landlord's Work, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Landlord. Notwithstanding the foregoing, Tenant shall have no right to enter onto the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-commencement access (including, but not limited to, any insurance that Landlord may require pursuant to the Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord's contractor and Landlord until completion of Landlord's Work and acceptance thereof by Tenant.

(b) **No Interference.** Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of Landlord's Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Premises and the Project until Substantial Completion of Landlord's Work.

(c) **No Acceptance of Premises.** The fact that Tenant may, with Landlord's consent, enter into the Project prior to the date Landlord's Work is Substantially Complete for the purpose of performing Tenant's Work shall not be deemed an acceptance by Tenant of possession of the Premises, but in such event Tenant, subject to the penultimate paragraph of Section 17 of the Lease, shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant's property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party.

#### 7. Miscellaneous.

(a) **Consents.** Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification.** No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

(c) **Default.** Notwithstanding anything set forth herein or in the Lease to the contrary, Landlord shall not have any obligation to perform any work hereunder or to fund any portion of the TI Fund during any period that Tenant is in Default under the Lease.

## Schedule 1

Responsibility Matrix

400 Technology Square • Cambridge, MA  
 Landlord/Tenant Scope Allocation Matrix  
 February 24, 2011

DESCRIPTION	RESPONSIBILITY		
	Landlord	Tenant	Landlord work at Tenant Cost
<b>SITWORK</b>			
Telephone service to main demarcation room from local exchange carrier	X		
Domestic sanitary sewer connection to street	X		
Lab waste sewer connection to common pH neutralization system	X		
Lab waste sewer connection to individual tenant pH neutralization system		X	
Roof storm drainage	X		
NStar primary and secondary electrical service	X		
NStar gas service	X		
Domestic water service to Building	X		
Fire protection water service to Building	X		
<b>STRUCTURE</b>			
Reinforced concrete waffle slab with live load capacity of 100 psf	X		
Structural enhancements for specific Tenant load requirements		X	
Floor to floor heights as follows:	X		
• Basement - 14'-6"			
• 1st floor - 13'-8"			
• 2nd floor through 9th floor - 12'-8"			
• 10th floor - 16'-0"			
Structural framing dunnage above roof for Base Building equipment	X		
Structural framing dunnage above roof for Tenant equipment (subject to Landlord review and approval)			X
Framed openings for Base Building utility risers	X		
Framed openings for Tenant utility risers in addition to Base Building.	X		
Miscellaneous metals items and/or concrete pads for Base Building equipment	X		
Miscellaneous metals Items and/or concrete pads for Tenant equipment		X	
<b>ROOFING</b>			
Single ply EPDM roofing system with rigid insulation	X		
Roofing penetrations for Base Building equipment/systems	X		
Roofing penetrations for Tenant equipment/systems			X

DESCRIPTION	RESPONSIBILITY		
	Landlord	Tenant	Landlord work at Tenant Cost
Walkway pads to Base Building equipment	X		
Walkway pads to Tenant equipment			X
Roofing alterations due to Tenant changes			X
<b>EXTERIOR</b>			
Building exterior consisting of precast concrete and windows	X		
Main Building entrances	X		
Loading dock with loading dock elevator and stairwell	X		
Acoustic screening of Base Building rooftop equipment	X		
Acoustic screening of Tenant rooftop equipment (space available within base building screening)	X		
<b>COMMON AREAS</b>			
Accessible main entrance	X		
First floor finished lobby	X		
Upper level elevator lobbies on floors with multiple Tenants	X		
Core area toilet rooms	X		
Janitor's closets in core areas	X		
Primary demarcation room	X		
Doors, frames, and hardware at common areas	X		
<b>ELEVATORS</b>			
Three (3) passenger elevators, one (1) passenger/service with a capacity of 4,000 lbs	X		
One (1) 4,500 lb capacity exterior loading dock elevator	X		
<b>WINDOW TREATMENT</b>			
Furnish and install Building standard blinds for all windows		X	
<b>TENANT AREAS</b>			
Foam insulation and perimeter framing	X		
Finishes at inside face of exterior walls		X	
Finishes at inside face at Tenant side of core partitions		X	
Toilet rooms within Tenant Premises in addition to those provided by base building		X	
Electrical closets within Tenant Premises		X	
Tel/data rooms for Interconnection with Tenant tel/data		X	
Tenant kitchen areas		X	
Modifications to core areas to accommodate Tenant requirements			X
Partitions, ceilings, flooring, painting, finishes, doors, frames, hardware, millwork, casework, equipment, and buildout		X	
Fixed or movable casework.		X	
Laboratory Equipment including but not limited to biosafety cabinets, autoclaves, glasswashers.		X	
Chemical Fume Hoods, bench fume hood		X	
Finishes at corridors on floors with multiple Tenants within redeveloped space	X		
Shaft enclosures for Base Building systems' risers	X		

DESCRIPTION	RESPONSIBILITY		
	Landlord	Tenant	Landlord work at Tenant Cost
Shaft enclosures for Tenant risers (in addition to risers put in place for tenant use)			X
<b>FIRE PROTECTION</b>			
Fire service entrance including fire department connection, alarm valve, and flow protection	X		
Core area distribution piping and sprinkler heads	X		
Stair distribution piping and sprinkler heads	X		
All run outs, drop heads, and related equipment within Tenant premises		X	
Modification of sprinkler piping and head locations to suit Tenant layout and hazard index		X	
Specialized extinguishing systems or containment for tenant program areas		X	
Preaction dry-pipe systems		X	
Fire extinguisher cabinets at core areas	X		
Fire extinguisher cabinets in Tenant Premises		X	
<b>PLUMBING</b>			
Domestic water service with backflow prevention and Base Building risers	X		
Domestic water distribution within Tenant Premises		X	
Core restroom plumbing fixtures compliant with accessibility requirements and anticipated lab/office occupancy of 1 person/350sf	X		
Tenant restroom plumbing fixtures compliant with accessibility requirements (in addition to those provided by the Base Building)		X	
Wall hydrants in core areas (where required by code)	X		
Tenant metering and sub-metering at Tenant connection		X	
Storm drainage system	X		
Sanitary waste and vent service	X		
Two stage active pH neutralization system (individual tenant system)		X	
Lab waste and vent pipe distribution		X	
Hot water generation for core restrooms	X		
Non-potable Hot water generation for Tenant use		X	
Central lab air compressor and piping risers	X		
Compressed air pipe distribution in Tenant Premises for specific points of use		X	
Central lab vacuum system and pipe risers	X		
Lab vacuum pipe distribution in Tenant Premises for specific points of use		X	
Tepid water generator and pipe risers	X		
Tepid water pipe distribution in Tenant Premises		X	
RO/DI water generator and pipe risers	X		
RO/DI water pipe distribution in Tenant Premises for specific points of use		X	
Manifolds, piping, and other requirements including cylinders, not specifically mentioned above		X	

DESCRIPTION	RESPONSIBILITY		
	Landlord	Tenant	Landlord work at Tenant Cost
<b>NATURAL GAS</b>			
Natural gas service to Building and piping to Base Building boilers and Base Building generator	X		
Natural gas service, pressure regulator and meter for Tenant equipment		X	
Natural gas piping from Tenant meter to Tenant Premises or Tenant equipment area.		X	
Natural gas pipe distribution within Tenant Premises		X	
Natural gas pressure regulator vent pipe riser from valve location through roof		X	
<b>HEATING, VENTILATION, AIR CONDITIONING</b>			
Central water cooled chilled water plant—72 gpm per floor. Risers and taps provided to each floor.	X		
Chilled water pipe distribution within Tenant Premises		X	
Cooling tower capacity of 90 gpm per floor on standby power for Tenant use	X		
Condenser water pipe risers	X		
Condenser water pipe distribution within Tenant Premises		X	
Central gas fired boiler plant	X		
Hot water pipe risers	X		
Hot water pipe distribution within Tenant Premises		X	
Fan coil units within Tenant Premises		X	
Reheat coils within Tenant Premises		X	
Fan coil units within core areas	X		
Reheat coils within core areas	X		
Building Management System (BMS) for core area and Landlord infrastructure	X		
BMS (compatible with Landlord's system) within Tenant Premises and Tenant infrastructure		X	
Once-through supply air handling units with 30% prefilters, 85% final filters, chilled water coils, and hot water coils. Units are sized for approximately 1.5 cfm per square foot of lab space.	X		
Vertical supply air duct distribution	X		
Supply air duct distribution, VAV terminals, equipment connections, insulation, air terminals, dampers, hangers, etc. within Tenant Premises		X	
Supply air duct distribution, VAV terminals, equipment connections, Insulation, air terminals, dampers, hangers, etc. within core areas	X		
Roof mounted laboratory exhaust fans for general lab exhaust	X		
Vertical exhaust air duct risers for general lab exhaust	X		
Roof mounted laboratory exhaust fans for dedicated fume hood or specialty exhaust systems		X	
Vertical exhaust air duct risers for dedicated fume hood or specialty exhaust systems		X	

DESCRIPTION	RESPONSIBILITY		
	Landlord	Tenant	Landlord work at Tenant Cost
Exhaust air duct distribution, exhaust air valves, equipment connections, insulation, air terminals, dampers, hangers, etc. within Tenant Premises		X	
Exhaust air duct distribution, exhaust air valves, equipment connections, insulation, air terminals, dampers, hangers, etc. within core areas	X		
General Exhaust for Tenant H3 Rooms		X	
Restroom exhaust for core area restrooms	X		
Restroom exhaust for restrooms within Tenant Premises		X	
Electric room ventilation system for Base Building electrical closets	X		
Electric room ventilation system for electrical closets within Tenant premises		X	
Sound attenuation for Base Building infrastructure to comply with Cambridge Noise Ordinance	X		
Sound attenuation for Tenant equipment to comply with Cambridge Noise Ordinance		X	
Additional/ dedicated cooling for Tenant requirements		X	
<b>ELECTRICAL</b>			
Electrical utility service to switchgear in main electrical vault	X		
Two (2) 4,000 amp, 480/277v switchboards located in basement			
One (1) 2,000 amp, 480/277v bus riser supporting tenants in the basement through the 5 <sup>th</sup> floor. One (1) 1,600 amp, 480/277v bus riser supporting 6 <sup>th</sup> through 10 <sup>th</sup> floors	X		
Allocation of bus power for Tenant use (w/sf):			
• Office lighting - 1.5			
• Office power - 4			
• Office HVAC - 2	X		
• Lab lighting - 1.5			
• Lab power - 12			
• Lab HVAC - 2			
700 kW natural gas generator for optional standby power	X		
350 kW diesel generator for emergency power			
Sound attenuation for generator to comply with Cambridge Noise Ordinance	X		
Automatic transfer switch for Tenant load - maximum Tenant use is 4 watts per square foot	X		
Standby power distribution within Tenant Premises		X	
Lighting and power distribution for core areas	X		
Lighting and power distribution for Tenant Premises		X	
Meter socket and meter for Tenant bus tie in		X	
Common area life safety emergency lighting/signage	X		
Tenant Premises life safety emergency lighting/signage		X	
Tenant panels, transformers, etc. in addition to Base Building		X	
Tenant UPS system, battery backup, and associated equipment/distribution		X	

DESCRIPTION	RESPONSIBILITY		
	Landlord	Tenant	Landlord work at Tenant Cost
<b>FIRE ALARM</b>			
Base Building fire alarm system with devices in core areas	X		
Fire alarm sub panels and devices for Tenant Premises with integration into Base Building system		X	
Alteration to fire alarm system to facilitate Tenant program			X
<b>TELEPHONE/DATA</b>			
Underground local exchange carrier service to primary demarcation room in basement	X		
Tel Data Riser Conduit from demark to each floor	X		
Tenant tel/data rooms		X	
Pathways from demarcation room directly into Tenant tel/data rooms		X	
Tel/Data cabling from demarcation room Tenant tel/data room		X	
Fiber optic service for Tenant use		X	
Tel/data infrastructure including but not limited to servers, computers, phone systems, switches, routers, MUX panels, equipment racks, ladder racks, etc.		X	
Provisioning of circuits and service from service providers		X	
Audio visual systems and support		X	
Station cabling from Tenant tel/data room to all Tenant locations, within the suite and exterior to the suite, if needed		X	
<b>SECURITY</b>			
Card access at Building entries	X		
Card access into or within Tenant Premises on separate Tenant installed and managed system		X	
Video camera coverage of Tenant Premises on separate Tenant installed and managed system		X	
Manned security station in building 300	X		

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This ACKNOWLEDGMENT OF COMMENCEMENT DATE is made as of this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between ARE-TECH SQUARE, LLC, a Delaware limited liability company ("Landlord"), and WARP DRIVE BIO, LLC, a Delaware limited liability company ("Tenant"), and is attached to and made a part of the Lease dated as of \_\_\_\_\_, \_\_\_\_\_ (the "Lease"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is \_\_\_\_\_, \_\_\_\_\_, and the expiration date of the Base Term of the Lease shall be midnight on \_\_\_\_\_, \_\_\_\_\_. In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

WARP DRIVE BIO, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

LANDLORD:

ARE-TECH SQUARE, LLC,  
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,  
a Delaware limited liability company,  
its manager

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,  
a Delaware limited partnership,  
managing member

By: ARE-QRS CORP.,  
a Maryland corporation, general partner

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT E TO LEASE**

**Rules and Regulations**

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.
2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.
3. Except for animals assisting the disabled, no animals shall be allowed in the Premises, offices, halls, or corridors in the Project.
4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.
5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.
6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.
7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.
8. Tenant shall maintain the Premises free from rodents, insects and other pests.
9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.
10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

None.

## FIRST AMENDMENT TO LEASE

This First Amendment to Lease (the “**First Amendment**”) is made as of May 18, 2017, by and between **ARE-TECH SQUARE, LLC**, a Delaware limited liability company (“**Landlord**”), and **WARP DRIVE BIO, INC.**, a Delaware corporation (“**Tenant**”), formerly known as **WARP DRIVE BIO, LLC**, a Delaware limited liability company.

### RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of August 22, 2012 (the “**Lease**”), wherein Landlord leases to Tenant certain premises containing approximately 21,621 rentable square feet (the “**Premises**”) located at 400 Technology Square, Cambridge, Massachusetts, as more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. The Base Term of the Lease is scheduled to expire on February 28, 2018.

C. Tenant has timely exercised its Extension Right pursuant to Section 39 of the Lease.

D. Landlord and Tenant desire to amend the Lease to, among other things, extend the term of the Lease through February 28, 2023 (the “**First Amendment Expiration Date**”).

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Term.** The expiration date of the term of the Lease is hereby extended through the First Amendment Expiration Date. Tenant’ occupancy of the Premises through the First Amendment Expiration Date shall be on an “as-is” basis and Landlord shall have no obligation to provide any tenant improvement allowance or to make any alterations to the Premises.
2. **Base Rent.** Tenant shall continue to pay Base Rent as provided in the Lease through February 29, 2018. Commencing on March 1, 2018, Base Rent shall be payable pursuant to the following schedule:

<b>Date Range:</b>	<b>Base Rent \$/ RSF per year:</b>	<b>Base Rent Monthly Amount:</b>
3/1/2018 - 2/28/19	\$ 74.50	\$ 134,230.38
3/1/2019 - 2/29/20	\$ 76.74	\$ 138,257.29
3/1/2020 - 2/28/21	\$ 79.04	\$ 142,405.00
3/1/2021 - 2/28/22	\$ 81.41	\$ 146,677.15
3/1/2022 - 2/28/23	\$ 83.85	\$ 151,077.47

3. **Extension Right.** As of the date of this First Amendment, Section 39(a) of the Lease is hereby deleted and replaced with the following:

“(a) **Extension Right.** Subject to the superior rights of The General Hospital Corporation (i.e., Ragon Institute)(“**Ragon**”) as same exists on the day hereof to expand its premises to include the Premises, Tenant shall have 1 right (an “**Extension Right**”) to extend the term of this Lease for 5 years (an “**Extension Term**”) on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise the Extension Right (“**Extension Notice**”) at least 15 months and no more than 18 months prior to the First Amendment Expiration Date. Upon receipt of an Extension Notice from Tenant, Landlord shall offer the Premises to Ragon pursuant to the terms of Ragon’s lease. Following the completion of the procedures required under the Ragon lease in connection with Ragon’s rights to expand into the Premises, Landlord shall notify Tenant in writing whether or not Ragon has elected to expand its premises to include the Premises following the First Amendment Expiration Date. If Ragon elects to expand its premises to include the Premises, this Lease shall terminate on the First Amendment Expiration Date and Tenant’s Extension Right under this Section 39 shall be null and void and of no further force or effect. If Ragon does not elect to expand its premises to include the Premises, Landlord’s notice to Tenant will also include Landlord’s determination of the Market Rate.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of the Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, “**Market Rate**” shall mean the rate that comparable landlords of comparable buildings have accepted in current transactions from non-equity (i.e., not being offered equity in the buildings) and nonaffiliated tenants of similar financial strength for space of comparable size, quality (including all Tenant Improvements, Alterations and other improvements) and floor height in comparable laboratory/office buildings in the Cambridge area for a comparable term, with the determination of the Market Rate to take into account all relevant factors, including tenant inducements, views, parking costs, leasing commissions, allowances or concessions, if any. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord’s determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.”

4. **Indemnity.** Notwithstanding anything to the contrary contained herein or in the Lease, Tenant acknowledges and agrees that, in order to reflect changes in applicable laws, retroactive to the date of the Lease, the language of Section 16 of the Lease which reads “unless caused solely by the willful misconduct or negligence of Landlord” is hereby deleted in its entirety and replaced with the following: “except to the extent caused by the willful misconduct or negligence of Landlord.”

5. **OFAC.** Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control (“**OFAC**”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “**OFAC Rules**”), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.
6. **Miscellaneous.**
- a. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.
  - b. This First Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective agents and assigns.
  - c. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.
  - d. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, “**Broker**”) in connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction, other than Transwestern and NGKF. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than Transwestern and NGKF, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this First Amendment.
  - e. Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

[Signatures are on the next page]

**TENANT:**

**WARP DRIVE BIO, INC.,**  
a Delaware limited liability company

By: /s/ Laurence E. Reid \_\_\_\_\_  
Its: Laurence E. Reid  
CEO

**LANDLORD:**

**ARE-TECH SQUARE, LLC,**  
a Delaware limited liability company

By: ARE-MA REGION NO. 31, LLC,  
a Delaware limited liability company,  
its manager

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,  
a Delaware limited partnership,  
its managing member

By: ARE-QRS CORP.,  
a Maryland corporation,  
general partner

By: /s/ Eric S. Johnson \_\_\_\_\_  
Its: Eric S. Johnson  
Senior Vice President RE Legal Affairs

**ASSIGNMENT AND ASSUMPTION OF LEASE**

**THIS ASSIGNMENT AND ASSUMPTION OF LEASE** (this "**Assignment**") is made by and between **WARP DRIVE BIO, LLC**, a Delaware limited liability company ("**Assignor**") and **REVOLUTION MEDICINES, INC.**, a Delaware corporation ("**Assignee**") as of January 30, 2019 (the "**Effective Date**").

**RECITALS**

**A. WHEREAS, ARE-TECH SQUARE, LLC**, a Delaware limited liability company ("**Landlord**") and Assignor are parties to that certain Lease Agreement dated as of August 22, 2012, as amended by that certain First Amendment to Lease dated as of May 18, 2017 (as amended, the "**Lease**"), pursuant to which Landlord leases to Assignor space containing approximately 21,621 rentable square feet consisting of the entire second (2nd) floor (the "**Premises**") of the building located at 400 Technology Square, Cambridge, Massachusetts (the "**Building**");

**B. WHEREAS**, Assignor was acquired by Assignee in a merger transaction wherein Assignor became, and remains now, a wholly-owned subsidiary of Assignee which is controlled by Assignee; and

**C. WHEREAS**, Assignor desires to assign all of Assignor's right, title, and interest as "Tenant" under the Lease to Assignee, and Assignee desires to accept such assignment and assume all obligations associated therewith from and after the Effective Date, which assignment and assumption constitutes a Control Permitted Assignment (as that term is defined in Section 22(b) of the Lease);

**NOW, THEREFORE**, for the covenants and promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are hereby made a part of this Assignment.

2. **ASSIGNMENT AND ASSUMPTION.** Subject to the provisions of this Assignment, effective as of the Effective Date, Assignor hereby irrevocably and unconditionally grants, assigns, transfers, conveys and delivers to Assignee all Assignor's right, title and interest in the Lease, and Assignee hereby (i) accepts the assignment of all Assignor's right, title and interest in the Lease, (ii) agrees to be fully bound as "**Tenant**" under the Lease from and after the Effective Date, and (iii) assumes Assignor's obligations accruing under the Lease from and after the Effective Date.

3. **GOVERNING LAW; COUNTERPARTS.** This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. This Assignment 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 Assignment shall be equivalent to, and have the same force and effect as, an original signature.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Assignment as of Effective Date.

**ASSIGNOR:**

**WARP DRIVE BIO, LLC,**  
a Delaware limited liability company

By: /s/ Margaret A. Horn

Name: Margaret A. Horn

Title: Chief Financial Officer

**ASSIGNEE:**

**REVOLUTION MEDICINES, INC.,**  
a Delaware corporation

By: /s/ Mark A. Goldsmith

Name: Mark A. Goldsmith

Title: Chief Executive Officer

[Signature Page to Assignment and Assumption of Lease]

**EXHIBIT B**

**FORM OF GUARANTY**

**GUARANTY OF SUBLEASE**

This Guaranty of Sublease (this “**Guaranty**”) is made as of January \_\_\_, 2019, by **THIRD ROCK VENTURES, LLC**, a Delaware limited liability company (“**Guarantor**”), whose address is as set forth in Section 9 hereof, in favor of **REVOLUTION MEDICINES, INC.**, a Delaware corporation (“**Sublandlord**”), whose address is as set forth in Section 9 hereof.

**RECITALS**

**WHEREAS**, Sublandlord, as sublandlord, and Casma Therapeutics, Inc. a Delaware corporation (“**Subtenant**”), as subtenant, desire to enter into that certain Sublease Agreement dated on or about the date hereof (the “**Sublease**”) with respect to space containing approximately 21,621 rentable square feet consisting of the entire second (2nd) floor (the “**Premises**”) of the building located at 400 Technology Square, Cambridge, Massachusetts;

**WHEREAS**, Guarantor has direct or indirect ownership interests in Subtenant, and Guarantor expects to receive substantial benefit from Sublandlord’s execution of the Sublease with Subtenant;

**WHEREAS**, Guarantor desires to fully and unconditionally guaranty the obligations of Subtenant under the Sublease pursuant to the terms and conditions of this Guaranty; and

**WHEREAS**, Sublandlord would not agree to execute the Sublease if Guarantor did not agree to execute and deliver to Sublandlord this Guaranty.

**NOW, THEREFORE**, Guarantor agrees with Sublandlord as follows:

1. Guarantor guarantees that all sums stated in the Sublease to be payable by Subtenant shall be promptly paid in full when due in accordance with the Sublease and that Subtenant shall perform and observe all of its obligations under the Sublease. If any such sum or obligation is not timely paid, performed or observed, then Guarantor shall, promptly after notice thereof and the expiration of any applicable grace period granted to Subtenant under the Sublease, pay or perform the same regardless of (a) whether Sublandlord shall have taken any steps to enforce any rights against Subtenant or any other person, (b) termination of the Sublease as a result of Subtenant’s default, or (c) any other condition or contingency. Guarantor shall also pay all expenses of collecting any such sum or of otherwise enforcing this Guaranty, including professional fees. This Guaranty is a guaranty of performance and payment and not merely collection. If an action is commenced between the parties in connection with the enforcement of any provision of this Guaranty, the prevailing party in that action shall be entitled to recover its costs and expenses, including reasonable attorneys’ fees. Capitalized terms used but not defined herein shall have the meanings ascribed in the Sublease.

2. This Guaranty is a continuing guaranty and the obligations of Guarantor hereunder are absolute, irrevocable and unconditional. Except to the extent the obligations of Subtenant under the Sublease are performed in full, there is no circumstance under which Guarantor shall be discharged from any of its obligations under, or have any defense to the enforcement of, this Guaranty. Without limiting the generality of the foregoing, Guarantor's obligations and covenants under this Guaranty shall in no way be affected or impaired by reason of the happening from time to time of any of the following, whether or not Guarantor has been notified thereof or consented thereto: (a) any invalidity, illegality or unenforceability of the Sublease, or any termination of the Sublease for any reason whatsoever (including a bankruptcy); (b) any defenses or rights of set-off or counterclaim of Subtenant or Guarantor; (c) Sublandlord's waiver of the performance or observance by Subtenant, Guarantor or any other party of any covenant or condition contained in the Sublease or this Guaranty; (d) any extension, in whole or in part, of the time for payment by Subtenant or Guarantor of any sums owing or payable under the Sublease or this Guaranty, or of any other sums or obligations under or arising out of or on account of the Sublease or this Guaranty, or the renewal of the Sublease or this Guaranty; (e) any full or partial assignment of the Sublease or sub-subletting of the Premises; (f) any modification or amendment (whether material or otherwise) of any of the obligations of Subtenant or Guarantor under the Sublease or this Guaranty; (g) the doing or the omission of any act referred to in the Sublease or this Guaranty (including the giving of any consent referred to in the Sublease or this Guaranty); (h) Sublandlord's failure or delay to exercise any right or remedy available to Sublandlord or any action on the part of Sublandlord granting indulgence or extension in any form whatsoever; (i) any voluntary or involuntary insolvency, bankruptcy, assignment for the benefit of creditors, trusteeship, reorganization, or other similar proceeding affecting Subtenant or Guarantor or any of Subtenant's or Guarantor's assets; (j) the release of Subtenant or Guarantor from the performance or observance of any covenant or condition contained in the Sublease or this Guaranty by operation of law; (k) any act, amendment, agreement or other device of Master Landlord ("**Master Landlord Act**"), unless Sublandlord is a party thereto or Sublandlord expressly consents in writing to such affected or impaired obligation of Guarantor by such Master Landlord Act; or (l) any other matters whatsoever, whether or not similar to those specifically mentioned herein, other than the full payment and performance of all obligations of Subtenant under the Sublease.

3. Guarantor waives any right Guarantor may now or hereafter have against Subtenant (and/or any other guarantor of Subtenant's obligations under the Sublease) with respect to this Guaranty (including any right of subrogation, reimbursement, exoneration, contribution, indemnification or similar right, and any right to participate in any claim, right or remedy of Sublandlord against Subtenant or any security which Sublandlord now or hereafter has with respect to the Sublease), whether such right arises under an express or implied contract, by operation of law, or otherwise. Guarantor shall be deemed not to be a "creditor" (as defined in Section 101 of the Bankruptcy Code) of Subtenant by reason of the existence of this Guaranty in the event that Subtenant becomes a debtor in any proceeding under the Bankruptcy Code. In connection with a proceeding under the Bankruptcy Code, should Sublandlord repay to Subtenant or Guarantor, or be obligated by applicable law to repay to Subtenant or Guarantor, any amounts previously paid, then this Guaranty shall be reinstated in the amount Sublandlord repays or is so obligated to repay.

4. If all or any part of the Sublease is rejected, disaffirmed or otherwise avoided pursuant to applicable law affecting creditors' rights, then Guarantor shall, and does hereby (without the necessity of any further agreement or act), assume all obligations and liabilities of Subtenant under the Sublease to the same extent as if Guarantor were originally named Subtenant under the Sublease and there had been no such rejection, disaffirmance or avoidance. Guarantor shall upon Sublandlord's request promptly confirm in writing such assumption.

5. Guarantor waives presentment, notice of dishonor, protest and notice of non-payment, non-performance or non-observance, notice of acceptance of this Guaranty and notice of any obligations or liabilities contracted or incurred by Subtenant. To the extent not prohibited by applicable law, Guarantor waives any right Guarantor may now or hereafter have to any hearing prior to the attachment of any real or personal property to satisfy Guarantor's obligations and the benefits of any present or future constitution, statute or rule of law which exempts property from liability for debt.

6. This Guaranty shall be governed by the laws of the jurisdiction in which the Premises are located, may not be modified or amended except by a written agreement duly executed by the parties, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. Guarantor's obligations hereunder shall not be assigned or delegated without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. Sublandlord may assign this Guaranty to any successor to the Sublease or Master Landlord at any time and without notice to Guarantor. Sublandlord may designate the location and receiving party of any payment under this Guaranty, from time to time, effective immediately upon notice to Guarantor. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any guaranteed obligations arising or created after any attempted revocation by Guarantor. Any references in this Guaranty to "Subtenant" shall include the named Subtenant and its trustee in bankruptcy, receiver, conservator, and other successors and assigns.

7. Guarantor's liability under this Guaranty is direct and primary, and not secondary, and shall be joint and several with that of Subtenant. Sublandlord may proceed against Guarantor under this Guaranty without initiating or exhausting any remedy against Subtenant (provided that a default has occurred and is continuing beyond all applicable notice and cure periods provided in the Sublease), and may proceed against Subtenant and Guarantor separately or concurrently. All remedies afforded to Sublandlord by reason of this Guaranty are separate and cumulative. Guarantor agrees to indemnify Sublandlord for, and hold Sublandlord harmless against, all losses, costs and expenses, including without limitation, all court costs and attorneys' fees (including appellate fees, if any), incurred or paid by Sublandlord in enforcing or compromising any rights under this Guaranty or enforcing or compromising the performance of the Sublease. Guarantor waives any right it may have to require Sublandlord to institute or prosecute an action against Subtenant or any other person before proceeding against Guarantor. If more than one natural person and/or entity shall constitute Guarantor, then the liability of each such person or entity shall be joint and several and no waiver, release or modification of the obligations of any such person or entity shall affect the obligations of any other such person or entity.

8. Within five (5) days after Sublandlord's written request, Guarantor shall execute and deliver to Sublandlord a written statement certifying any matter concerning this Guaranty or the Sublease as Sublandlord may request. From time to time upon not less than five (5) days' prior written notice, Guarantor shall submit such information regarding Guarantor's and Subtenant's financial condition as Sublandlord may request.

9. Any notice which Sublandlord may elect to send shall be binding upon Guarantor if mailed to Guarantor's address set forth below or to the last address known to Sublandlord, by United States certified mail, return receipt requested, or by Federal Express or other overnight courier.

If to Sublandlord: Revolution Medicines, Inc.  
700 Saginaw Drive  
Redwood City, CA 94063  
Attn: General Counsel  
[\*\*\*]

If to Guarantor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. TO THE GREATEST EXTENT PERMITTED BY LAW, GUARANTOR AND SUBLANDLORD EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING AT LAW, IN EQUITY OR OTHERWISE, BROUGHT ON, UNDER OR BY VIRTUE OF THIS GUARANTY. GUARANTOR WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT IN THE JURISDICTION IN WHICH THE PREMISES ARE LOCATED AND WAIVES ANY RIGHT UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

11. Guarantor hereby consents to the exercise of personal jurisdiction over Guarantor by any federal or local court in the jurisdiction in which the Premises are located. Service shall be effected by any means permitted by the court in which any action is filed, or, at Sublandlord's option, by mailing process, postage prepaid, by certified mail, return receipt requested, to Guarantor at Guarantor's address set forth in this Guaranty. Service shall be deemed effective upon receipt or upon attempted delivery, if delivery is refused. Guarantor shall designate a change of address or agent by written notice given by certified mail, return receipt requested, at least ten (10) days before such change is to become effective.

12. Guarantor represents and warrants that Sublandlord's execution of the Sublease is a material and direct economic benefit to Guarantor and constitutes good, valuable and sufficient consideration for Guarantor's execution of this Guaranty, notwithstanding any future rejection or other termination of all or any part of the Sublease. Guarantor represents and warrants that all financial statements and information regarding Guarantor that have been or will be delivered to Sublandlord are true, correct and complete. Each individual signing this Guaranty warrants and represents that he or she is duly authorized to execute and deliver this Guaranty, and that, if Guarantor is a corporation or limited liability company, Guarantor is a duly organized corporation in good standing under the laws of the state of its incorporation or formation, is qualified to do business and is in good standing in the jurisdiction in which the Premises are located, and has the power and authority to enter into this Guaranty, and that all corporate or limited liability company action requisite to authorize Guarantor to enter into this Guaranty has been duly taken.

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13. If any term or provisions of this Guaranty shall be determined to be illegal or unenforceable, all other terms and provisions hereof shall nevertheless remain effective and shall be enforceable to the fullest extent permitted by law.

[SIGNATURE APPEARS ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

**GUARANTOR:**

**THIRD ROCK VENTURES, LLC**  
a Delaware limited liability company

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

[Exhibit B to Sublease Agreement]

**EXHIBIT C**

**FORM OF BILL OF SALE**

**BILL OF SALE**

**REVOLUTION MEDICINES, INC.**, a Delaware corporation ("***Seller***"), for One Dollar (\$1.00) and other good and valuable consideration paid to Seller by **CASMA THERAPEUTICS, INC.** a Delaware corporation ("***Buyer***") the receipt and sufficiency of which are hereby acknowledged, hereby, as of \_\_\_\_\_, sells, conveys, assigns, transfers, delivers, and sets over unto Buyer, from and after the date hereof, all of Seller's right, title and interest in and to all FF&E (as defined in that certain Sublease dated February \_\_, 2019 by and between Seller, as Sublandlord, and Buyer, as subtenant), without any representations or warranties of any kind, express or implied, to Buyer with respect to the FF&E including, without limitation, any representations or warranties as to the condition or functionality of the FF&E, or the suitability of the FF&E for Buyer's purposes. Buyer agrees to accept the FF&E in its "*as is, where is, with all faults*" condition.

TO HAVE AND TO HOLD unto Buyer and its successors and assigns, forever.

**SELLER:**

**REVOLUTION MEDICINES, INC.**  
a Delaware corporation

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

[Exhibit C to Sublease Agreement]

## REVOLUTION MEDICINES, INC.

## 2014 EQUITY INCENTIVE PLAN, AS AMENDED

TERMINATION DATE: DECEMBER 3, 2024

## 1. GENERAL.

(a) **Eligible Stock Award Recipients.** The persons eligible to receive Stock Awards are Employees, Directors and Consultants.

(b) **Available Stock Awards.** The Plan provides for the grant of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock Awards, and (v) Restricted Stock Unit Awards.

(c) **Purpose.** The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive Stock Awards as set forth in Section 1(a), to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Stock Awards.

## 2. ADMINISTRATION.

(a) **Administration by Board.** The Board shall administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) **Powers of Board.** The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan shall be granted Stock Awards; (B) when and how each Stock Award shall be granted; (C) what type or combination of types of Stock Award shall be granted; (D) the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan or Stock Award fully effective.

(iii) To settle all controversies regarding the Plan and Stock Awards granted under it.

(iv) To accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(v) To suspend or terminate the Plan at any time. Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Stock Awards granted under the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to Capitalization Adjustments, to the extent required by applicable law, stockholder approval shall be required for any amendment of the Plan that either (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Stock Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (D) materially extends the term of the Plan, or (E) expands the types of Stock Awards available for issuance under the Plan. Except as provided above, rights under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Incentive Stock Options.

(viii) To approve forms of Stock Award Agreements for use under the Plan and to amend the terms of any one or more Stock Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Stock Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however*, that, the rights under any Stock Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participant's consent, the Board may amend the terms of any one or more Stock Awards if necessary to maintain the qualified status of the Stock Award as an Incentive Stock Option or to bring the Stock Award into compliance with Section 409A of the Code.

**(ix)** Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Stock Awards.

**(x)** To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States.

**(xi)** To effect, at any time and from time to time, with the consent of any adversely affected Participant, (A) the reduction of the exercise price (or strike price) of any outstanding Option or SAR under the Plan, (B) the cancellation of any outstanding Option or SAR under the Plan and the grant in substitution therefore of (1) a new Option or SAR under the Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (2) a Restricted Stock Award, (3) a Restricted Stock Unit Award, (4) cash and/or (5) other valuable consideration (as determined by the Board, in its sole discretion), or (C) any other action that is treated as a repricing under generally accepted accounting principles; *provided, however*, that no such reduction or cancellation may be effected if it is determined, in the Company's sole discretion, that such reduction or cancellation would result in any such outstanding Option becoming subject to the requirements of Section 409A of the Code.

**(c) Delegation to Committee.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

**(d) Delegation to an Officer.** The Board may delegate to one or more Officers of the Company the authority to do one or both of the following: (i) designate Officers and Employees of the Company or any of its Subsidiaries to be recipients of Options and Stock Appreciation Rights (and, to the extent permitted by applicable law, other Stock Awards) and the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Officers and Employees; *provided, however*, that the Board resolutions regarding such delegation shall specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Notwithstanding the foregoing, the Board may not delegate authority to an Officer to determine the Fair Market Value pursuant to Section 13(t) below.

**(e) Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

**(f) Arbitration.** Any dispute or claim concerning any Stock Awards granted (or not granted) or any disputes or claims relating to or arising out of the Plan shall be fully, finally and exclusively resolved by binding and confidential arbitration conducted pursuant to the the rules of Judicial Arbitration and Mediation Services, Inc. (“**JAMS**”) in Santa Clara County, California. The Company shall pay all arbitration fees. In addition to any other relief, the arbitrator may award to the prevailing party recovery of its attorneys’ fees and costs. By accepting a Stock Award, Participants and the Company waive their respective rights to have any such disputes or claims tried by a judge or jury.

### **3. SHARES SUBJECT TO THE PLAN.**

**(a) Share Reserve.** Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards beginning on the Effective Date shall not exceed 34,825,340 shares (the “**Share Reserve**”). Furthermore, if a Stock Award (i) expires or otherwise terminates without having been exercised in full or (ii) is settled in cash (*i.e.*, the holder of the Stock Award receives cash rather than stock), such expiration, termination or settlement shall not reduce (or otherwise offset) the number of shares of Common Stock that may be issued pursuant to the Plan. For clarity, the limitation in this Section 3(a) is a limitation in the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a).

**(b) Reversion of Shares to the Share Reserve.** If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares which are forfeited shall revert to and again become available for issuance under the Plan. Also, any shares reacquired by the Company pursuant to Section 8(g) or as consideration for the exercise of an Option shall again become available for issuance under the Plan. Notwithstanding the provisions of this Section 3(b), any such shares shall not be subsequently issued pursuant to the exercise of Incentive Stock Options.

**(c) Incentive Stock Option Limit.** Notwithstanding anything to the contrary in this Section 3(c), subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options shall be three times the Share Reserve.

**(d) Source of Shares.** The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

### **4. ELIGIBILITY.**

**(a) Eligibility for Specific Stock Awards.** Incentive Stock Options may be granted only to employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and (f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided*,

however, Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any “parent” of the Company, as such term is defined in Rule 405, unless the stock underlying such Stock Awards is treated as “service recipient stock” under Section 409A of the Code because the Stock Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Stock Awards comply with the distribution requirements of Section 409A of the Code.

**(b) Ten Percent Stockholders.** A Ten Percent (10%) Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant shall not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or the sale of the Company’s securities to such Consultant is not exempt under Rule 701 because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions.

## 5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates shall be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, then the Option shall be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Option Agreement or Stock Appreciation Right Agreement shall conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

**(a) Term.** Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR shall be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Stock Award Agreement.

**(b) Exercise Price.** Subject to the provisions of Section 4(b) regarding Incentive Stock Options granted to Ten Percent Stockholders, the exercise price (or strike price) of each Option or SAR shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Option or SAR is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise price (or strike price) lower than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option or SAR if such Option or SAR is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and 424(a) of the Code (whether or not such Stock Awards are Incentive Stock Options). Each SAR will be denominated in shares of Common Stock equivalents.

**(c) Consideration for Options.** The purchase price of Common Stock acquired pursuant to the exercise of an Option shall be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board shall have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The permitted methods of payment are as follows:

**(i)** by cash, check, bank draft or money order payable to the Company;

**(ii)** pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

**(iii)** by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

**(iv)** if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, that the Company shall accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; *provided, further*, that shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are reduced to pay the exercise price pursuant to the “net exercise,” (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

**(v)** according to a deferred payment or similar arrangement with the Optionholder; *provided, however*, that interest shall compound at least annually and shall be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

**(vi)** in any other form of legal consideration that may be acceptable to the Board.

**(d) Exercise and Payment of a SAR.** To exercise any outstanding Stock Appreciation Right, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right. The appreciation distribution payable on the exercise of a Stock

Appreciation Right will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the Stock Appreciation Right) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such Stock Appreciation Right, and with respect to which the Participant is exercising the Stock Appreciation Right on such date, over (B) the strike price that will be determined by the Board at the time of grant of the Stock Appreciation Right. The appreciation distribution in respect to a Stock Appreciation Right may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right.

**(e) Transferability of Options and SARs.** The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board shall determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs shall apply:

**(i) Restrictions on Transfer.** An Option or SAR shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant; *provided, however*, that the Board may, in its sole discretion, permit transfer of the Option or SAR to such extent as permitted by Rule 701 and in a manner consistent with applicable tax and securities laws upon the Participant's request.

**(ii) Domestic Relations Orders.** Notwithstanding the foregoing, an Option or SAR may be transferred pursuant to a domestic relations order; *provided, however*, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

**(iii) Beneficiary Designation.** Notwithstanding the foregoing, the Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company and any broker designated by the Company to effect Option exercises, designate a third party who, in the event of the death of the Participant, shall thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate shall be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise.

**(f) Vesting Generally.** The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

**(g) Termination of Continuous Service.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Stock Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period shall not be less than thirty (30) days if necessary to comply with applicable state laws unless such termination is for Cause) or (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Stock Award Agreement (as applicable), the Option or SAR shall terminate.

**(h) Extension of Termination Date.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause or upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR shall terminate on the earlier of (i) the expiration of a period of three (3) months after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR shall terminate on the earlier of (i) the expiration of a period equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Stock Award Agreement.

**(i) Disability of Participant.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination of Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period shall not be less than six (6) months if necessary to comply with applicable state laws), or (ii) the expiration of the term of the Option or SAR as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the time specified herein or in the Stock Award Agreement (as applicable), the Option or SAR shall terminate.

**(j) Death of Participant.** Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Stock Award Agreement after the termination of the Participant's Continuous Service for a reason other than death, then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Stock Award Agreement, which period shall not be less than six (6) months if necessary to comply with applicable state laws), or (ii) the expiration of the term of such Option or SAR as set forth in the Stock Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the time specified herein or in the Stock Award Agreement (as applicable), the Option or SAR shall terminate.

**(k) Termination for Cause.** Except as explicitly provided otherwise in a Participant's Stock Award Agreement, if a Participant's Continuous Service is terminated for Cause, the Option or SAR shall terminate upon the termination date of such Participant's Continuous Service, and the Participant shall be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

**(l) Non-Exempt Employees.** No Option or SAR granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR. Notwithstanding the foregoing, consistent with the provisions of the Worker Economic Opportunity Act, in the event of the Participant's death or Disability, upon a Corporate Transaction or a Change in Control in which the vesting of such Options or SARs accelerates, or upon the Participant's retirement (as such term may be defined in the Participant's Stock Award Agreement or in another applicable agreement or in accordance with the Company's then current employment policies and guidelines) any such vested Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

**(m) Early Exercise of Options.** An Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Subject to the "Repurchase Limitation" in Section 8(l), any unvested shares of Common Stock so purchased may be subject to a repurchase right in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the "Repurchase Limitation" in Section 8(l) is not violated, the Company shall not be required to exercise its repurchase right until at least six (6) months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option Agreement.

**(n) Right of Repurchase.** Subject to the “Repurchase Limitation” in Section 8(l), the Option or SAR may include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Participant pursuant to the exercise of the Option or SAR.

**(o) Right of First Refusal.** The Option or SAR may include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option or SAR. Such right of first refusal shall be subject to the “Repurchase Limitation” in Section 8(l). Except as expressly provided in this Section 5(o) or in the Stock Award Agreement, such right of first refusal shall otherwise comply with any applicable provisions of the Bylaws of the Company.

## **6. PROVISIONS OF RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNITS.**

**(a) Restricted Stock Awards.** Each Restricted Stock Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. To the extent consistent with the Company’s Bylaws, at the Board’s election, shares of Common Stock may be (x) held in book entry form subject to the Company’s instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate shall be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical; *provided, however*, that each Restricted Stock Award Agreement shall conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

**(i) Consideration.** A Restricted Stock Award may be awarded in consideration for (A) cash or cash equivalents, (B) past or future services actually or to be rendered to the Company or an Affiliate, or (C) any other form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

**(ii) Vesting.** Subject to the “Repurchase Limitation” in Section 8(l), shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

**(iii) Termination of Participant’s Continuous Service.** If a Participant’s Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

**(iv) Transferability.** Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board shall determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

**(v) Dividends.** A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

**(b) Restricted Stock Unit Awards.** Each Restricted Stock Unit Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, *provided, however*, that each Restricted Stock Unit Award Agreement shall conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

**(i) Consideration.** At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

**(ii) Vesting.** At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

**(iii) Payment.** A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

**(iv) Additional Restrictions.** At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

**(v) Dividend Equivalents.** Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all the terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

**(vi) Termination of Participant's Continuous Service.** Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

**(vii) Compliance with Section 409A of the Code.** Notwithstanding anything to the contrary set forth herein, any Restricted Stock Unit Award granted under the Plan that is not exempt from the requirements of Section 409A of the Code shall contain such provisions so that such Restricted Stock Unit Award will comply with the requirements of Section 409A of the Code. Such restrictions, if any, shall be determined by the Board and contained in the Restricted Stock Unit Award Agreement evidencing such Restricted Stock Unit Award. For example, such restrictions may include, without limitation, a requirement that any Common Stock that is to be issued in a year following the year in which the Restricted Stock Unit Award vests must be issued in accordance with a fixed pre-determined schedule.

## 7. COVENANTS OF THE COMPANY.

**(a) Availability of Shares.** During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock reasonably required to satisfy such Stock Awards.

**(b) Securities Law Compliance.** The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided, however,* that this undertaking shall not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant shall not be eligible for the grant of a Stock Award or the subsequent issuance of Common Stock pursuant to the Stock Award if such grant or issuance would be in violation of any applicable securities law.

**(c) No Obligation to Notify.** The Company shall have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company shall have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Stock Award or a possible period in which the Stock Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Stock Award to the holder of such Stock Award.

**8. MISCELLANEOUS.**

**(a) Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

**(b) Corporate Action Constituting Grant of Stock Awards.** Corporate action constituting a grant by the Company of a Stock Award to any Participant shall be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Stock Award is communicated to, or actually received or accepted by, the Participant.

**(c) Stockholder Rights.** No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Stock Award has been entered into the books and records of the Company.

**(d) No Employment or Other Service Rights.** Nothing in the Plan, any Stock Award Agreement or any other instrument executed thereunder or in connection with any Stock Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

**(e) Incentive Stock Option \$100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds one hundred thousand dollars (\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

**(f) Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise

distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (x) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (y) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

**(g) Withholding Obligations.** Unless prohibited by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; *provided, however*, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding payment from any amounts otherwise payable to the Participant; (iv) withholding cash from a Stock Award settled in cash; or (v) by such other method as may be set forth in the Stock Award Agreement.

**(h) Electronic Delivery.** Any reference herein to a “written” agreement or document shall include any agreement or document delivered electronically or posted on the Company’s intranet.

**(i) Deferrals.** To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Stock Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Stock Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant’s termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

**(j) Compliance with Section 409A.** To the extent that the Board determines that any Stock Award granted hereunder is subject to Section 409A of the Code, the Stock Award Agreement evidencing such Stock Award shall incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Stock Award Agreements shall be interpreted in accordance with Section 409A of the Code.

**(k) Compliance with Exemption Provided by Rule 12h-1(f).** If: (i) the aggregate of the number of Optionholders and the number of holders of all other outstanding compensatory employee stock options to purchase shares of Common Stock equals or exceeds five hundred (500), and (ii) the assets of the Company at the end of the Company's most recently completed fiscal year exceed \$10 million, then the following restrictions shall apply during any period during which the Company does not have a class of its securities registered under Section 12 of the Exchange Act and is not required to file reports under Section 15(d) of the Exchange Act: (A) the Options and, prior to exercise, the shares of Common Stock acquired upon exercise of the Options may not be transferred until the Company is no longer relying on the exemption provided by Rule 12h-1(f) promulgated under the Exchange Act ("**Rule 12h-1(f)**"), except: (1) as permitted by Rule 701(c) promulgated under the Securities Act, (2) to a guardian upon the disability of the Optionholder, or (3) to an executor upon the death of the Optionholder (collectively, the "**Permitted Transferees**"); *provided, however*, the following transfers are permitted: (i) transfers by the Optionholder to the Company, and (ii) transfers in connection with a change of control or other acquisition involving the Company, if following such transaction, the Options no longer remain outstanding and the Company is no longer relying on the exemption provided by Rule 12h-1(f); *provided further*, that any Permitted Transferees may not further transfer the Options; (B) except as otherwise provided in (A) above, the Options and shares of Common Stock acquired upon exercise of the Options are restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" as defined by Rule 16a-1(h) promulgated under the Exchange Act, or any "call equivalent position" as defined by Rule 16a-1(b) promulgated under the Exchange Act by the Optionholder prior to exercise of an Option until the Company is no longer relying on the exemption provided by Rule 12h-1(f); and (C) at any time that the Company is relying on the exemption provided by Rule 12h-1(f), the Company shall deliver to Optionholders (whether by physical or electronic delivery or written notice of the availability of the information on an internet site) the information required by Rule 701(e)(3), (4), and (5) promulgated under the Securities Act every six (6) months, including financial statements that are not more than one hundred eighty (180) days old; *provided, however*, that the Company may condition the delivery of such information upon the Optionholder's agreement to maintain its confidentiality.

**(l) Repurchase Limitation.** The terms of any repurchase right shall be specified in the Stock Award Agreement. The repurchase price for vested shares of Common Stock shall be the Fair Market Value of the shares of Common Stock on the date of repurchase. The repurchase price for unvested shares of Common Stock shall be the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. However, the Company shall not exercise its repurchase right until at least six (6) months (or such longer or shorter period of time necessary to avoid classification of the Stock Award as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Stock Award, unless otherwise specifically provided by the Board.

**9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.**

**(a) Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive.

**(b) Dissolution or Liquidation.** Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) shall terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, *provided, however*, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

**(c) Corporate Transaction.** The following provisions shall apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the holder of the Stock Award or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. Except as otherwise stated in the Stock Award Agreement, in the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board shall take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Corporate Transaction:

**(i)** arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

**(ii)** arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

**(iii)** accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five (5) days prior to the effective date of the Corporate Transaction), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction;

(iv) arrange for the lapse of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the holder of the Stock Award would have received upon the exercise of the Stock Award, over (B) any exercise price payable by such holder in connection with such exercise.

The Board need not take the same action with respect to all Stock Awards or with respect to all Participants.

**(d) Change in Control.** A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration shall occur.

#### **10. TERMINATION OR SUSPENSION OF THE PLAN.**

**(a) Plan Term.** The Board may suspend or terminate the Plan at any time. Unless sooner terminated by the Board pursuant to Section 2, the Plan shall automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board, or (ii) the date the Plan is approved by the stockholders of the Company. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

**(b) No Impairment of Rights.** Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant.

#### **11. EFFECTIVE DATE OF PLAN.**

This Plan shall become effective on the Effective Date.

#### **12. CHOICE OF LAW.**

The law of the State of California shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

**13. DEFINITIONS.** As used in the Plan, the following definitions shall apply to the capitalized terms indicated below:

**(a) "Affiliate"** means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405 of the Securities Act. The Board shall have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

(b) “**Board**” means the Board of Directors of the Company.

(c) “**Capitalization Adjustment**” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards No. 123 (revised). Notwithstanding the foregoing, the conversion of any convertible securities of the Company shall not be treated as a Capitalization Adjustment.

(d) “**Cause**” shall have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means with respect to a Participant, the occurrence of any of the following events: (i) such Participant’s commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant’s attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant’s intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant’s unauthorized use or disclosure of the Company’s confidential information or trade secrets; or (v) such Participant’s gross misconduct. The determination that a termination of the Participant’s Continuous Service is either for Cause or without Cause shall be made by the Company in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Stock Awards held by such Participant shall have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(e) “**Change in Control**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company’s securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of Ownership held by any Exchange Act Person (the “*Subject Person*”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding,

provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date this Plan is adopted by the Board, are members of the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the members of the Board; *provided, however*, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Stock Awards subject to such agreement; *provided, however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(f) “**Code**” means the Internal Revenue Code of 1986, as amended, as well as any applicable regulations and guidance thereunder.

(g) “**Committee**” means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(h) “**Common Stock**” means the common stock of the Company.

(i) “**Company**” means Revolution Medicines, Inc., a Delaware corporation.

(j) “**Consultant**” means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, shall not cause a Director to be considered a “Consultant” for purposes of the Plan.

(k) “**Continuous Service**” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director, or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, shall not terminate a Participant’s Continuous Service; *provided, however*, if the Entity for which a Participant is rendering service ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant’s Continuous Service shall be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an employee of the Company to a consultant of an Affiliate or to a Director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company’s leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

(l) “**Corporate Transaction**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) the consummation of a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) the consummation of a sale or other disposition of at least ninety percent (90%) of the outstanding securities of the Company;

(iii) the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(m) “**Director**” means a member of the Board.

(n) “**Disability**” means the inability of a Participant to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code and shall be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(o) “**Effective Date**” means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company’s stockholders, or (ii) the date this Plan is adopted by the Board.

(p) “**Employee**” means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, shall not cause a Director to be considered an “Employee” for purposes of the Plan.

(q) “**Entity**” means a corporation, partnership, limited liability company or other entity.

(r) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(s) “**Exchange Act Person**” means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” shall not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities.

(t) “**Fair Market Value**” means, as of any date, the value of the Common Stock determined by the Board in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.

(u) **“Incentive Stock Option”** means an option that qualifies as an “incentive stock option” within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(v) **“Nonstatutory Stock Option”** means an Option that does not qualify as an Incentive Stock Option.

(w) **“Officer”** means any person designated by the Company as an officer.

(x) **“Option”** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(y) **“Option Agreement”** means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

(z) **“Optionholder”** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(aa) **“Own,” “Owned,” “Owner,” “Ownership”** A person or Entity shall be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(bb) **“Participant”** means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(cc) **“Plan”** means this Revolution Medicines, Inc. 2014 Equity Incentive Plan.

(dd) **“Restricted Stock Award”** means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(ee) **“Restricted Stock Award Agreement”** means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award. Each Restricted Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(ff) **“Restricted Stock Unit Award”** means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(gg) **“Restricted Stock Unit Award Agreement”** means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement shall be subject to the terms and conditions of the Plan.

(hh) **“Rule 405”** means Rule 405 promulgated under the Securities Act.

(ii) “**Rule 701**” means Rule 701 promulgated under the Securities Act.

(jj) “**Securities Act**” means the Securities Act of 1933, as amended.

(kk) “**Stock Appreciation Right**” or “**SAR**” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(ll) “**Stock Appreciation Right Agreement**” means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement shall be subject to the terms and conditions of the Plan.

(mm) “**Stock Award**” means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, or a Stock Appreciation Right.

(nn) “**Stock Award Agreement**” means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(oo) “**Subsidiary**” means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) .

(pp) “**Ten Percent Stockholder**” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.



TO STOCK OPTION GRANT NOTICE

STOCK OPTION AGREEMENT

Pursuant to the Stock Option Grant Notice (“Grant Notice”) to which this Stock Option Agreement (this “Agreement”) is attached, Revolution Medicines, Inc. (the “Company”) has granted to Participant an Option under the Company’s 2014 Equity Incentive Plan (the “Plan”) to purchase the number of Shares indicated in the Grant Notice.

1. General.

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of a conflict between the terms of the Agreement and the Plan, the terms of the Plan shall control.

1.3 Grant of Option. In consideration of Participant’s past and/or continued employment with or service to the Company or a parent or subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the “Grant Date”), the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

1.4 Incentive Stock Option. If designated in the Grant Notice as an Incentive Stock Option, this Option is intended to qualify as an “incentive stock option” as defined in Section 422 of the Code; provided, however, that to the extent that the aggregate Fair Market Value of the Common Stock with respect to which Incentive Stock Options (within the meaning of Code Section 422, but without regard to Code Section 422(d)), including the Option, are exercisable for the first time by Participant during any calendar year (under the Plan and all other incentive stock option plans of the Company (or any “parent corporation” or “subsidiary corporation” thereof within the meaning of Code Sections 424(e) or 424(f), respectively)) exceeds one hundred thousand dollars (\$100,000), such options shall be treated as not qualifying under Code Section 422, but rather shall be treated as Nonstatutory Stock Options to the extent required by Code Section 422. The rule set forth in the preceding sentence shall be applied by taking options into account in the order in which they were granted. For purposes of these rules, the Fair Market Value of the Common Stock shall be determined as of the time the option with respect to such stock is granted.

## 2. Period of Exercisability.

### 2.1 Vesting; Exercisability.

(a) Subject to Section 2.1(b) below, the Option shall become vested in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice (the "Vesting Schedule"). The installments provided for in the Vesting Schedule are cumulative.

(b) Unless otherwise determined by the Board or Committee, any portion of the Option that has not become vested on or prior to the date of Participant's termination of Continuous Service shall not thereafter become vested.

(c) The Option may be exercised in whole or in part at any time prior to the date of Participant's termination of Continuous Service or, with respect to the vested portion of the Option, the date when the Option or portion thereof becomes unexercisable under Section 2.2, provided that each unvested Share with respect to which the Option is exercised (a "Restricted Share") shall be subject to the Company Repurchase Right (as defined below) for so long as the Option shall remain unvested with respect to such Share under the terms of this Agreement. The Restricted Shares shall be released from the Company Repurchase Right as set forth in Section 4.1(d). For the avoidance of doubt, all Shares with respect to which the Option is exercised shall at all times be assumed to be unvested Shares to the fullest extent possible under the terms of this Agreement, unless otherwise provided by the Company.

2.2 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three months following the date of Participant's termination of Continuous Service, unless such termination of Continuous Service occurs by reason of Participant's death, Disability or Cause;

(c) The expiration of one year following the date of Participant's termination of Continuous Service by reason of Participant's death or Disability; or

(d) The date of Participant's termination of Continuous Service for Cause.

## 3. Exercise of Option.

3.1 Person Eligible to Exercise. Except as may be otherwise provided by the Board or Committee, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2.2, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

3.2 Manner of Exercise. The Option, or any portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Company, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2.2 above:

(a) An exercise notice in substantially in the form attached as Exhibit B to the Grant Notice (or such other form as is prescribed by the Company) (the "Exercise Notice") in writing signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable laws and all rules and procedures established by the Company;

(b) Subject to Section 5(c) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Company, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On and after the date the Company has a class of its securities registered under Section 12 of the Exchange Act, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that payment is then made to the Company at such time as may be required by the Company; or

(iv) With the consent of the Company, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs;

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration permitted by the Company, which, following the date the Company has a class of its securities registered under Section 12 of the Exchange Act shall include the method provided for in Section 3(b)(iii) above; and

(d) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 above by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option.

#### 4. Restricted Shares.

##### 4.1 Company Repurchase Right.

(a) Upon Participant's termination of Continuous Service for any reason, the Company shall have the right and option to repurchase all of the Restricted Shares from Participant, or Participant's transferee or legal representative, as the case may be, for a purchase price equal to the price per Share paid for such Restricted Shares (the "Company Repurchase Right").

(b) The Company may exercise the Company Repurchase Right by delivering, personally or by registered mail, to Participant (or his or her transferee or legal representative, as the case may be), within ninety (90) days of the date of Participant's Termination of Service, a notice in writing indicating the Company's intention to exercise the Company Repurchase Right and setting forth a date for closing not later than thirty (30) days from the mailing of such notice. The closing shall take place at the Company's office. At the closing, the holder of any certificates for the Restricted Shares shall deliver the stock certificate or certificates evidencing the Restricted Shares, and the Company shall deliver the purchase price therefore. At its option, the Company may elect to make payment for the Restricted Shares to a bank selected by the Company. The Company shall avail itself of this option by a notice in writing to Participant stating the name and address of the bank, date of closing, and waiving the closing at the Company's office.

(c) If the Company does not elect to exercise the Company Repurchase Right by giving the requisite notice within ninety (90) days following the date of Participant's termination of Continuous Service, the Company Repurchase Right shall terminate.

(d) The Restricted Shares shall be released from the Company Repurchase Right upon vesting of the Option with respect to such Shares in accordance with the terms of this Agreement. For the avoidance of doubt, all Restricted Shares shall at all times be assumed to be unvested Shares to the fullest extent possible under the terms of this Agreement, unless otherwise provided by the Company. Fractional Shares shall be rounded down to the nearest whole share in determining vesting.

##### 4.2 Escrow.

(a) Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company from time to time, to transfer the Restricted Shares as to which the Company Repurchase Right has been exercised from Participant (or his or her transferee or legal representative, as the case may be) to the Company.

(b) To insure the availability for delivery of the Restricted Shares upon repurchase by the Company pursuant to the Company Repurchase Right, Participant appoints the Secretary of the Company, or such other person designated by the Company from time to time as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such Restricted Shares, if any, repurchased by the Company pursuant to the Company Repurchase Right.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Restricted Shares in escrow and while acting in good faith and in the exercise of its judgment.

4.3 Transferability of Restricted Shares. Except as otherwise permitted by the Company, the Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution. Any transferee of the Restricted Shares shall hold such Shares subject to all of the provisions hereof and the Exercise Notice and any other documents required by the Company to be entered into with respect to the transfer of such Shares. Any transfer or attempted transfer of any of the Restricted Shares not in accordance with the terms of this Agreement shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

4.4 Rights as a Stockholder. Except as otherwise provided herein, upon exercise of the Option, Participant shall have all the rights of a stockholder with respect to the Restricted Shares, including the right to receive any cash or stock dividends or other distributions paid to or made with respect to the Restricted Shares, subject to the restrictions described in the following sentence, which restrictions shall lapse when the Restricted Shares are released from the Company Repurchase Right as set forth in Section 4.1(d). Unless otherwise provided by the Company, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to same restrictions on transferability as the Restricted Shares with respect to which they were paid and shall automatically be forfeited to the Company for no consideration in the event the Company exercises the Company Repurchase Right for the Restricted Shares with respect to which they were paid. In no event shall a dividend or distribution be paid with respect to Restricted Shares later than the end of the calendar year in which the dividends are paid to holders of Common Stock or, if later, the 15th day of the third month following the later of (i) the date the dividends are paid to holders of Common Stock and (ii) the date the Restricted Shares with respect to which the dividends are paid vest.

4.5 Voting Agreement; Appointment of Proxy.

(a) At any annual or special meeting called, or in connection with any other action (including the execution of written consents) taken by the stockholders of the Company, Participant shall vote or act with respect to the Shares to:

(i) approve any amendment to the Company's certificate of incorporation that is approved by the holders of at least a majority of the preferred stock of the Company, voting as a separate class; and

(ii) approve any sale of the Company (including any related merger agreement and/or amendment to the Company's certificate of incorporation) that is approved by the holders of at least a majority of the preferred stock of the Company, voting as a separate class.

(b) Participant hereby appoints each of the Chief Executive Officer and General Counsel of the Company (each, a “Proxy”) as the agent, proxy, and attorney-in-fact for Participant (including, without limitation, full power and authority to act on Participant’s behalf) to take any action, should the Proxy elect to do so in the Proxy’s sole discretion, to: (i) vote on all matters to be voted on in accordance with this Section 4.5, (ii) and to take all other actions to be taken by or on behalf of Participant in furtherance of the provisions of this Section 4.5. Participant hereby agrees not to assert any claim against, and agrees to indemnify and hold harmless, the Proxy from and against any and all losses incurred by the Proxy or any of the Proxy’s affiliates, partners, employees, agents, investment bankers or representatives, or any affiliate of any of the foregoing, relating to the Proxy’s capacity as the Proxy, other than such claims or losses resulting from the Proxy’s gross negligence or willful misconduct.

(c) Participant hereby agrees to enter into a separate voting agreement with the Company to the extent determined necessary or appropriate by the Company and any such voting agreement shall, to the extent provided therein, supersede this Section 4.5. This Section 4.5 shall terminate and be of no further force or effect upon the earlier of the following: (i) the Company’s sale of its common stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, or (ii) the consummation of a Change in Control.

4.6 Section 83(b) Election for Restricted Shares. Participant acknowledges that, with respect to the exercise of a Nonstatutory Stock Option for Restricted Shares, unless an election is filed by Participant with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within thirty (30) days of the purchase of the Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to be taxed currently on any difference between the purchase price of the Shares and their fair market value on the date of purchase, there will be a recognition of taxable income to Participant, measured by the excess, if any, of the fair market value of the Shares, at the time the Company Repurchase Right lapses over the purchase price for the Shares. Participant further acknowledges that, with respect to the exercise of an Incentive Stock Option for Restricted Shares, that unless an election is filed by Participant with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within thirty (30) days of the purchase of the Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to have the risk of forfeiture disregarded currently in determining any difference between the purchase price of the Shares and their Fair Market Value on the date of purchase for alternative minimum tax purposes, the excess, if any, of the fair market value of the Shares, at the time the Company’s Repurchase Right lapses, over the purchase price for the Shares may be treated as an item of adjustment for alternative minimum tax purposes in the year of vesting.

Participant represents that Participant has consulted any tax consultant(s) Participant deems advisable in connection with the purchase of the Shares or the filing of the election under Section 83(b) of the Code and similar tax provisions.

**PARTICIPANT ACKNOWLEDGES THAT IT IS PARTICIPANT’S SOLE RESPONSIBILITY AND NOT THE COMPANY’S TO FILE TIMELY THE ELECTION UNDER SECTION 83(B) OF THE CODE, EVEN IF PARTICIPANT REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PARTICIPANT’S BEHALF.**

## 5. Other Provisions.

### 5.1 Restrictive Legends and Stop-Transfer Orders.

(a) Any share certificate or certificates evidencing the Shares purchased hereunder shall be endorsed with any legends that may be required by state or federal securities laws and, with regard to Restricted Shares, shall bear such other legends as shall be determined by the Company.

(b) Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.

5.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most recent address for Participant shown in the Company's records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 5.2. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

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

5.4 Submission to Jurisdiction; Waiver of Jury Trial. By accepting this Option, the Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of California and of the United States of America, in each case located in the State of California, for any action arising out of or relating to the Plan and this Option (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting this Option, the Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or the Option in the courts of the State of California or the United States of America, in each case located in the State of California, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation

brought in any such court has been brought in an inconvenient forum. By accepting this Option, the Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or the Option.

5.5 Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

5.6 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable laws, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

5.7 Successors and Assigns. The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

5.8 Entire Agreement. The Plan and this Agreement (including all Exhibits hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

\* \* \* \* \*

TO STOCK OPTION GRANT NOTICE

FORM OF EXERCISE NOTICE

Effective as of today, \_\_\_\_\_, 20\_\_ the undersigned (“Participant”) hereby elects to exercise Participant’s option to purchase Shares of Revolution Medicines, Inc. (the “Company”) under and pursuant to the Company’s 2014 Equity Incentive Plan (the “Plan”) and the Stock Option Grant Notice and Stock Option Agreement dated «Date\_of\_Grant» (the “Option Agreement”). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

**Grant Date:** «Date\_of\_Grant»

**Number of Shares as to which Option is Exercised:** \_\_\_\_\_

**Exercise Price per Share:** «Exercise\_Price\_per\_share»

**Total Exercise Price:** \$ \_\_\_\_\_

**Shares to be held in name of:** \_\_\_\_\_

**Payment delivered herewith:** \$ \_\_\_\_\_ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

**Type of Option:**  Incentive Stock Option  Nonstatutory Stock Option

1. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement. Participant agrees to abide by and be bound by their terms and conditions. Participant hereby makes the following certifications and representations with respect to the number of shares of as to which the Option is exercised as set forth above (the “Shares”):

1.1 The Shares are being acquired by Participant for his or her own account upon exercise of the Option.

1.2 Participant acknowledges that the Shares have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), and are deemed to constitute “restricted securities” under Rule 701 and Rule 144 promulgated under the Securities Act. Participant warrants and represents to the Company that Participant has no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws.

1.3 Participant further acknowledges that Participant will not be able to resell the Shares for at least ninety days (90) after the stock of the Company becomes publicly traded (i.e., has a class of its securities registered under Section 12 of the Securities Exchange Act of 1934, as amended) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

2. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. Restrictive Legends and Stop-Transfer Orders.

3.1 Legends. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares and any book entries related to the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE SUBJECT TO REPURCHASE PURSUANT TO, AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH, THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH REPURCHASE AND/OR TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

3.2 Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

3.3 The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Notices. Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 5.2 of the Option Agreement.

5. Lock Up. Participant agrees that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act, Participant will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as necessary to permit compliance with NASD Rule 2711 or NYSE Member Rule 472 and similar rules and regulations (the "Lock-Up Period"). Participant further agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

6. Right of First Refusal. Participant acknowledges and agrees that the Shares are subject to a right of first refusal in favor of the Company as set forth in the Company's bylaws and other governing documents, as each may be amended from time to time.

7. Further Instruments. Participant hereby agrees to execute such further instruments, and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of this Agreement.

8. Entire Agreement. The Plan and the Option Agreement are incorporated herein by reference. This Agreement, the Plan and the Option Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

**ACCEPTED BY:**  
**REVOLUTION MEDICINES, INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**SUBMITTED BY**  
**PARTICIPANT:**

By: \_\_\_\_\_  
Print Name: «Optionee» \_\_\_\_\_

Address:  
\_\_\_\_\_  
\_\_\_\_\_